

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
AND ANNUAL REPORT**

Of

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

For the Fiscal Year Ended June 30, 2015

Commissioners

Elizabeth M. Hewlett, Chairman of the Commission
Casey Anderson, Vice-Chairman of the Commission
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Norman Dreyfuss
Manuel R. Geraldo
Natali Fani-Gonzalez
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Marye Wells-Harley

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Joseph C. Zimmerman, Secretary-Treasurer
Adrian R. Gardner, General Counsel

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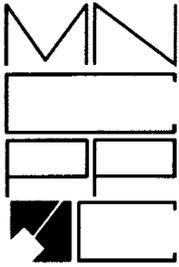
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◆ PART I ◆
INTRODUCTORY SECTION



First Earth Bench At Black Hills Regional Park



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

December 22, 2015

Commissioners:

The Comprehensive Annual Financial Report of The Maryland-National Capital Park and Planning Commission (“the Commission”) for the fiscal year ended June 30, 2015 is hereby submitted. This Report was prepared by the Commission's Finance Department, in accordance with the Land Use Article of the Annotated Code of Maryland, Sections 15-115 and 15-116. Responsibility for the completeness and reliability of all the information presented, including all disclosures, rests with the Commission. We assert that to the best of our knowledge and belief, the data, as presented, is accurate in all material respects and is reported in a manner designed to present fairly the financial position and changes in financial position of the governmental activities, business-type activities and various funds of the Commission in accordance with accounting principles generally accepted in the United States of America (GAAP). All disclosures necessary to enable the reader to gain an understanding of the Commission's financial activities have been included.

To provide a reasonable basis for making these representations, management of the Commission has established an internal control structure designed to ensure that the assets of the Commission are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the evaluation of costs and benefits requires business judgment by management.

State statutes require an annual audit by independent certified public accountants. The Commission selected the accounting firm of CliftonLarsonAllen LLP. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Commission for the fiscal year ended June 30, 2015 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Commission's financial statements for the fiscal year ended June 30, 2015 are fairly presented in conformance with GAAP. The independent auditor's report is presented as the first component of the Financial Section of this Report.

This year the Commission is not required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996, as revised and U.S. Office of Management and Budget Circular A-133, **Audits of States, Local Governments, and Non-Profit Organizations**. The Commission is required to file a Uniform Financial Report with the Maryland State Department of Legislative Services by January 1 of each year.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal, and should be read in conjunction with it.

The Commission

The Commission is a body corporate of the State of Maryland established by the Maryland General Assembly in 1927. The Commission is a bi-county agency serving both Montgomery and Prince George's Counties. It is empowered to acquire, develop, maintain and administer a regional system of parks in the defined Metropolitan District in Montgomery and Prince George's Counties, and to prepare and administer a general plan for the physical development of a defined Regional District for the two Counties. The Commission also conducts the recreation program for Prince George's County.

The annual budget serves as the foundation for the Commission's financial planning and control. The Commission maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Montgomery County and Prince George's County governments. Activities of the General Fund, which include a transfer for debt service expenditures, are included in the annual appropriated budget. Project length financial plans are adopted for the Capital Projects Funds. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established within each individual account in the General Fund. Budget-to-actual presentations for all five accounts of the General Fund are presented in Note 7 in the basic financial statements.

The Commission maintains an internal auditing division that reports to the Chair and Vice-Chair of the Commission. This staff performs internal audits throughout the Commission's offices and facilities. All internal control evaluations occur within the above framework. We believe that the Commission's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The Montgomery County Parks Foundation, Inc. is included as a component unit in the accompanying financial statements and is disclosed in the Notes to the Financial Statements. A copy of the independently audited annual financial report is available from the component unit.

Factors Affecting Financial Condition

The Commission's financial condition is positive as a result of a stable primary revenue source, property taxes, and the Commission's conservative fiscal management policies. The assessable bases in both Prince George's and Montgomery Counties increased in FY 2015, and collections, including interest and penalties as a percent of the levy, are consistently above 99%. The Commission prepares quarterly financial projections to help guide current year expenditures based upon anticipated revenue sources. In addition, the Commission maintains a comprehensive fund balance policy to provide a cushion against unforeseen expenditures or revenue shortfalls in each fund. At June 30, 2015, the Commission's General Fund budget basis ending fund balance was \$151.2 million.

Along with the Commission's internal financial management policies, spending affordability guidelines continue to be provided by Montgomery County Government for the Commission's Montgomery County operations, and by a Spending Affordability Committee for the Commission's Prince George's County operations.

Montgomery and Prince George's Counties are adjacent to Washington, D. C. and both of these counties have an economic base that is centered on vital government bureaus, major corporations and higher educational institutions. Maryland remains the wealthiest state in the nation, according to the latest U. S. Census data. The state's median household income for 2014 was \$73,971, an increase of about \$1, 500 from the previous year and Montgomery County is the 10th wealthiest county in the nation.

Like other jurisdictions across the nation both counties are impacted by the current fiscal environment. As of June 2015, the nation's unemployment rate was 5.3 percent, whereas Montgomery and Prince George's rates were 4.4 percent and 5.6 percent, respectively. These counties have a combined population base of 1.9 million people and have almost 1.0 million employed as of fiscal year 2015.

More detailed information on the financial outlook is provided in the Management's Discussion and Analysis section of this Report.

Long-term Financial Planning

The Commission prepares a six-year projection of results for its Prince George's County operations, which is reviewed with the Prince George's County Spending Affordability Committee. A high level long-term plan is prepared for its Montgomery County operations by Montgomery County government, with Commission input.

The Commission has an established fund balance policy of designating 3% to 5% of budgeted expenditures for contingencies. In Montgomery County a designation of 3% of budgeted FY2015 expenditures was made, while in Prince George's County this percentage was 5%. In both Counties there are undesignated fund balances, which could also be used to provide funding for unexpected needs.

There are significant unassigned fund balances in Prince George's County (\$131.7 million) which are planned to be used over the six-year period to maintain a stable tax rate for the Commission in that county.

Major Initiatives

The Commission enjoyed an excellent program year in fiscal year 2015. The major accomplishments of the Commission are set forth in the Program Highlights section of this Report.

Other Information

Awards. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Commission for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. The Commission has received this award continuously since fiscal year 1973. In order to be awarded a Certificate of Achievement, the Commission must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This Report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another Certificate.

In addition, the Commission also received the GFOA's Award for Distinguished Budget Presentation for its annual budget for fiscal year 2015. The Commission has received this award continuously since fiscal year 1987. In order to qualify for the Distinguished Budget Presentation Award, the Commission's budget document was judged to be proficient in several categories including policy documentation, financial planning and organization.

Acknowledgments

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the Department has my sincere appreciation for the contributions made in the preparation of this Report. Special thanks are expressed to Barbara Walsh, Accounting Manager, and the entire Accounting Division staff. I would also like to thank and compliment the Commissioners for their interest and support in planning and conducting the financial operations of the Commission in a responsible and progressive manner.

Respectfully submitted,



Joseph C. Zimmerman, CPA
Secretary-Treasurer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**The Maryland-National
Capital Park and Planning Commission**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

Commission Background and Organization

The Maryland-National Capital Park and Planning Commission is a body corporate of the State of Maryland, established by the Maryland General Assembly in 1927. The laws governing the Commission were codified in 1959, recodified in 1975 to be Article 66D of the Annotated Code of Maryland and again in 1983, to be Article 28. As of October 1, 2012, Article 28 of the Annotated Code of Maryland is recodified under Division II, Land Use Article, Maryland Annotated Code.

The Commission is a bi-county agency, empowered to acquire, develop, maintain and administer a regional system of parks in a defined Metropolitan District within the Maryland Counties (Montgomery and Prince George's) adjacent to the District of Columbia. The Commission is also empowered to prepare and administer a general plan for the physical development of a larger Regional District in the same area.

As development and urbanization of the area have progressed, the two Districts have been enlarged by the General Assembly. They now embrace all of Maryland's Montgomery and Prince George's Counties, except for certain incorporated municipalities in each County and, for the Metropolitan District only, Election Districts No. 4 and No. 8 in Prince George's County.

Responsibility for public recreation in Prince George's County and the County Recreation Department was transferred to the Commission in July, 1970 as a result of legislative action. This legislation provided that taxes to support recreation be imposed County-wide and that the County Council may require the Commission to institute new recreation programs. The County Executive appoints a Parks and Recreation Advisory Board, which works closely with the Commission in setting policy.

The Commission consists of ten members, five appointed by Montgomery County and five by Prince George's County. In Montgomery County, all five of the Commissioners are appointed by the County Council and confirmed by the County Executive. Montgomery County Commissioners may not be appointed for more than two consecutive terms. In Prince George's County, all five of the Commissioners are appointed by the County Executive and confirmed by the County Council. Each County designates one of its Commissioners for the position of Chairman of their respective Planning Board. The Commission elects one of such designees as its Chairman and the other as its Vice-Chairman. Under the Commission's rules of procedure, the Chairmanship and Vice-Chairmanship of the Commission rotate annually between the two designees. Terms of office are staggered and no more than three members from each County may belong to the same political party.

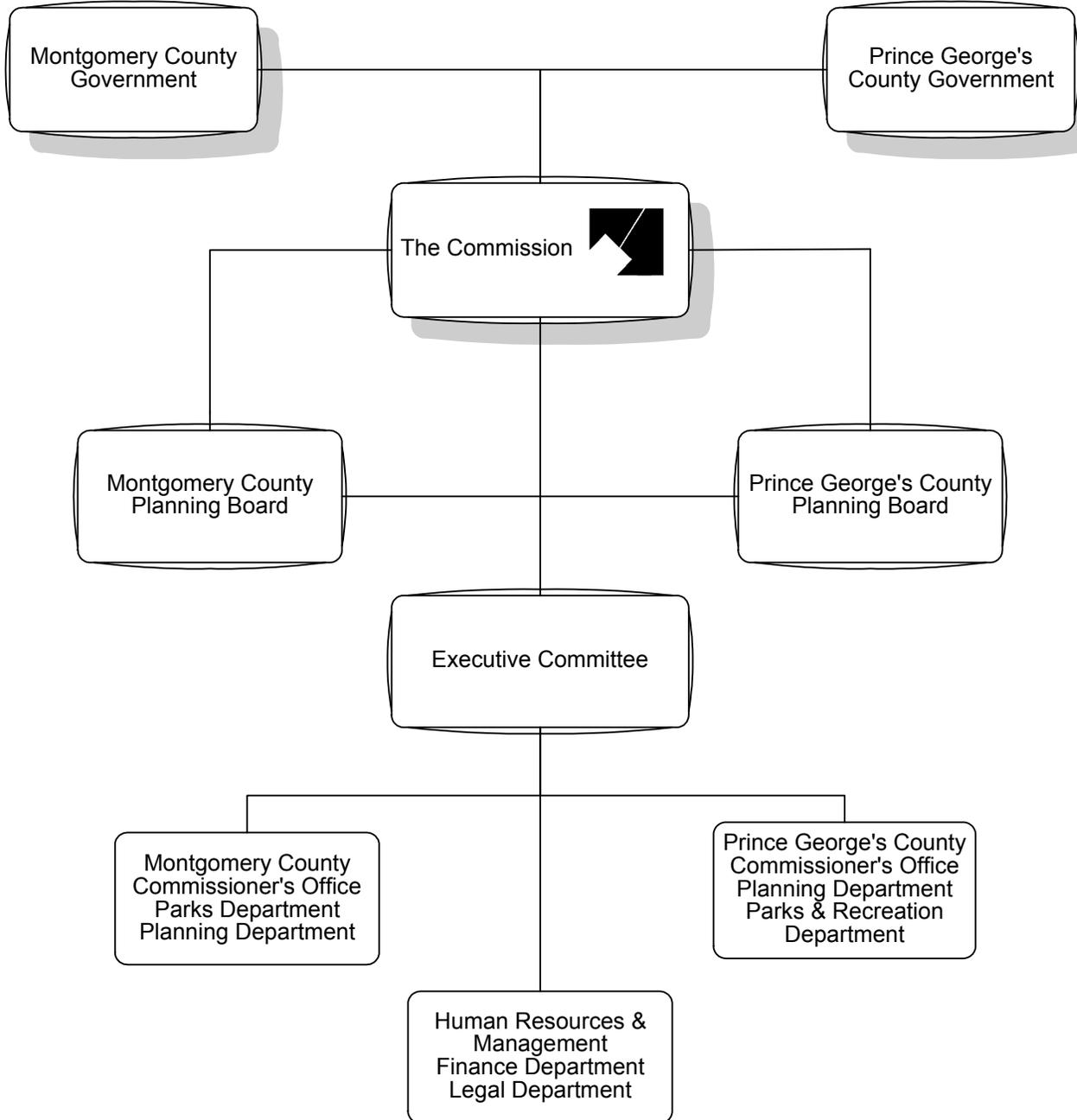
The Commission coordinates and acts on matters of interest to both Counties. Two regional offices are maintained, one in each County. The Commission meets once each month regularly, the site of the meetings alternating between the two regional offices. The members of the Commission from each County serve as separate Planning Boards to facilitate, review and administer the matters affecting only their respective County. To carry out their functions, the County Planning Boards meet at least once a week. The County Councils set priorities for the Planning Boards' park and planning operations through their annual determination and periodic review of the Commission's operating and capital improvement budgets and work programs.

The Commission administers a park system that currently contains over 64,000 acres. It is composed of stream-valley parks, large regional parks, neighborhood parks and park-school recreational areas. Its staff consists of over 2,000 career employees - planners, park and recreation administrators, park police and administrative staff. In addition, it employs approximately 3,500 seasonal workers, primarily for its numerous park and recreation programs.

The operating and administrative functions of the Commission are financed primarily by property taxes levied for the Commission by the two Counties. The Commission has the authority to sell general obligation bonds to fund approved park acquisition and development projects.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

ORGANIZATION CHART





FY 2015 PROGRAM HIGHLIGHTS

SUMMARY

The Maryland-National Capital Park and Planning Commission experienced a “banner year” of outstanding accomplishment and service during 2015, and earning numerous accolades and awards from all around the country. Topping off the year was the receipt of our SIXTH National Gold Medal for Excellence in Parks and Recreation Management – more than any other agency in the entire United States! The Commission’s national reputation was also validated by earning re-accreditation from the Commission for Accreditation of Park and Recreation Agencies (CAPRA) and the Commission for the Accreditation of Law Enforcement Agencies (CALEA). Some of the many national and regional awards garnered by the Commission included the National Recreation and Parks Association (NRPA) National Inclusion Award; the American Institute of Architects (AIA) Maryland chapter “Building of the Year” award for the South County Technology and Recreation Complex; the American Planning Association (APA) and National Association of County Planners Award of Excellence for the White Flint Sector Plan; top awards from APA’s regional chapter for *Plan Prince George’s 2035*; and the Government Finance Officers Association awards for excellence in budget and annual report presentations.

On the State level, the Commission earned top awards from Preservation Maryland and the Maryland Historic Trust for stewardship and community engagement in Historic Preservation; Commission employees were proud to accept recognition from the Maryland Recreation and Parks Association for a variety of programming, publications and professional accomplishments; Brookside Gardens was named a Maryland Green Center by the Maryland Association of Environmental and Outdoor Education; and the Commission earned four Preferred Workplace Awards from the Montgomery County Workforce Alliance. Major grants awards were also sought and received to supplement and enhance funding for targeted programming and facility development including a substantial grant from NRPA and the Walmart Foundation to support the “Healthy Out-of-School Time” initiative in Prince George’s County and a million dollar private contribution through Montgomery County Parks Foundation to be used for a new Brookside Gardens growing greenhouse.

Prince George’s County Department of Parks and Recreation

Providing Quality Recreational and Leisure Services for All. The Department offered multi-disciplinary recreation opportunities for all ages and abilities at community centers and schools, including comprehensive recreation class programs, out of school time programs for youth and teens, active aging programs and targeted services to those with the highest need through the Transforming Neighborhoods Initiative. Summer day camps offered all-encompassing and affordable experiences for children and teens, including Cops Camp for Kids, culinary camps, health and wellness camps, performing arts camps and robotics camps. South Bowie Community opened a new sensory room, a safe and non-threatening environment where children and adults with disabilities or other limiting conditions can enjoy gentle stimulation of the primary senses. The Workforce Readiness Initiative youth program co-sponsored by Potomac Electric Power Company (PEPCO) and the University of Maryland provided job skill development and an introduction to the work world.

Continuing as a Leader in Therapeutic Recreation and Programming for Youth and Seniors. Therapeutic recreation and inclusion services celebrated the Department’s 40th anniversary of providing services and programs for individuals with disabilities, and the Department continued its national leadership in this area. Seniors continued to enjoy a wide variety of recreational programs focusing on the seven dimensions of wellness: social, emotional, spiritual, environmental, occupational, intellectual and physical. Youth Services supported countywide programs for youth, including Kids Care, Safe Summer, GEAR, preschool programs, and serving summer meals to nearly 3500 youth at 93 sites. Program improvement and staff development were the result of Youth Program Quality Assessments.

Focusing on Health and Wellness. Free nutrition and healthy lifestyle classes were offered via a partnership with the Prince George’s County Health Department and Suburban Hospital. A three-year, \$64,000 water safety and swim lesson grant from the American Red Cross Centennial Campaign supported the goal of lowering drowning statistics in minority communities. The Department also hosted Major League Baseball’s RBI (Reviving Baseball in Inner Cities Initiative) Mid-Atlantic Regional Tournament.

Building Community Partnerships. Collaborations broadened the arts experience. Shakespeare in the Parks' Romeo and Juliet featured title characters of diverse cultures. At Brentwood Arts Exchange, extraordinary works were created by people with intellectual and developmental disabilities. The mobile arts program brought art experiences for all ages to shopping malls, senior activity centers, and private celebrations.

Hosting Festivals and Special Events. An array of special events drew thousands to Kinderfest, the Winter Festival of Lights, summer concerts in the parks and outdoor movie nights, Lake Arbor Jazz Festival, Hispanic Festival, the Beltway BBQ, Jug Bay Run for Wildlife, Three Kings Day, summer wine and jazz festivals, and community health fairs and health and wellness events.

Valuing our Volunteers. In FY15, over 12,000 registered volunteers donated 465,086 hours valued at \$12.3 million to the Department of Parks and Recreation. The Department worked in partnership with and provided support for 376 community partner organizations, with a recorded value of \$2.2 million.

Acquiring and Developing Parks and Facilities. The Department of Parks and Recreation acquired 167.18 acres of land through donation or mandatory dedication. Park development projects included 22 playgrounds, of which four were whimsical "Imagination Playgrounds". Other completed park amenities included the Rhode Island Avenue Trolley Trail, a bicycle pump track at Horsepen Trailhead, a new Little League baseball field at Brandywine-North Keys Park, and new tennis courts and picnic shelter at Fox Run Park. The outdoor pool at the popular Wells-Linson Complex was completely reconstructed and the interior locker rooms, meeting rooms and offices were renovated. New athletic field lighting was installed at Temple Hills Park and Fort Washington Forest Park. We continued upgrading facilities with energy efficient LED systems; the Prince George's Sports & Learning Complex was the largest of these projects. Park staff continued to improve parks and community centers with new flooring, fitness equipment, bleachers, picnic tables, refinished gym floors and seating, fencing, and basketball goals. Sustainable mowing and maintenance added to aesthetically pleasing parks.

Expanding Public Outreach through Technology. Keeping pace with modern technology, the Department introduced a digital, interactive version of *Your Guide to Parks and Recreation*. The interactive e-zine allows registration for classes from smartphones or tablets, with links to web pages, the calendar and videos. Digital and social media efforts continue to expand, along with cost-saving promotions using on-hold messaging and vehicle wraps that reach people through non-traditional marketing methods.

Maximizing Assets. The Department also launched a new Enterprise Asset Management System that allows for efficient digital management of assets, work orders, projects and materials, service orders and inventories. In FY15, we added more publically available WiFi, expanding the service to over half of all staffed facilities. We also lowered long term costs by replacing copper-based technologies with more cost effective and efficient technologies such as VOIP (Voice Over IP) and fiber optic circuits. The Department replaced a number of vehicles more than 10 years old and with over 100,000 miles, and implemented a pilot program to purchase electric vehicles.

Prince George's County Planning Department

Modernizing Zoning and Subdivision Ordinances: Staff accepted two major consultant deliverables—an issue identification report and the Evaluation and Recommendations Report—that encompass a comprehensive evaluation of the County's current Zoning Ordinance and Subdivision Regulations and recommended framework to address key issues moving forward. More than 100 stakeholder meetings were held to discuss the project, consultant findings, and recommendations, and a multi-faceted outreach strategy was implemented to engage 900,000 residents and interested parties. Staff closed out the fiscal year by directing the consultant team to proceed with drafting zone district and use regulations as part of the first of three anticipated code modules.

Planning for Quality Communities: In FY15, work continued on Transit District Development Plans, Sector Plans, specialized planning studies, implementation activity and Planning Assistance to Municipalities and Communities (PAMC) projects. Community Planning's accomplishments included Planning Board adoption and District Council approval of the College Park-Riverdale Park Transit District Development Plan and Overlay Zone and completion of the Greater Chillum Revitalization and Kenilworth Avenue -Cheverly Industrial Area Revitalization studies. Staff also completed a restructuring of the PAMC program to streamline the application process and emphasize staff technical assistance over monetary assistance. In addition, contracts were let for the East Riverdale Beacon Heights and

Greater Cheverly Sector Plans, City of Bowie Sustainability Plan, Stormwater Management and Parking studies for the Prince George's Plaza Transit District Plan and Overlay Zone project, and Town of Capitol Heights professional services. Substantial progress was made on the following projects so that completion can be expected in 2016, or as established by approved schedules: Mt. Rainier Agricultural Conservation Plan and Overlay Zone; Prince George's Plaza Transit District Plan and Overlay Zone, and Subregion 4 Employment Area Action Plan. Significant activity also continued on key implementation efforts including: Branch Avenue in Bloom; Town of Upper Marlboro Action Plan implementation; Sustainable Communities applications and post designation grant applications and project development; Joint Base Andrews Military Installation Overlay Zone and Clear Zone Action Plan project; and Westphalia development support.

Providing Planning Support for Public Facilities and Services: Staff members provided public facility technical support for all active master plans. Staff also presented seven full mandatory referrals requests to the Prince George's Planning Board and nine administrative mandatory referrals that were signed by the Planning Director. Staff also assisted in the development and review of the Board of Education's Annual Educational Facilities Master Plan and the Department of the Environment's Water and Sewer Plan, and coordinated the Planning Department's analysis for two Water and Sewer Plan Amendment cycles.

Developing Efficient Transportation Systems: Staff members completed an interim update to the traffic forecasting model, and continued work toward replacement of the current model with a new model that meets national best practice standards. Staff members implemented new legislation that requires pedestrian and bicyclist amenities in urban development.

Preserving and Protecting the Environment and Historic Properties: The Woodland and Wildlife Habitat Conservation ordinance was implemented by requiring forest conservation and reforestation in all new development. The County's land preservation program was certified by the State, resulting in additional funding. Staff supported the work of the Historic Preservation Commission, including the issuance of grants to rehabilitate historic structures, and recommendations for development review referrals and Historic Area Work Permits.

Advancing Information Technology: The Department implemented its GIS Open Data Initiative that now provides access to over 200 GIS data layers in multiple formats. The GIS Section responded to approximately 160 internal and external requests for digital maps, data reports, account numbers for mail-outs, image data, and technical services. External customers included municipalities, county agencies, council offices, developers, engineers and educational institutions. The Department provided the State Department of Assessments and Taxation with access to cell tower sites by tax account and pictometry online, and completed development of a GIS building address layer which will support the County Public Safety and permitting applications and easement layer.

Promoting Responsible Development: Approximately 377 applications for zoning map amendments, special exceptions, conceptual and detailed site plans, departures, alternative compliance and preliminary plans and final plats of subdivision were analyzed for conformance with County plans, policies and development regulations. Approximately 30,726 permits were processed, and the Planning Information Center responded to just under 10,000 inquiries from the general public. Several major development proposals were approved, including a preliminary plan of subdivision and a detailed site plan for the Prince George's Regional Hospital, located on a 77.83-acre property located along the south edge of Arena Drive at its intersection with Lottsford Road in Largo and within the M-X-T and D-D-O Zones. A portion of the existing Boulevard at Cap Center will be razed to make way for the future hospital complex. The amount of development authorized with these approvals is 1,507,638 square feet of building gross floor area (GFA) in a phased approach. The initial phase includes 731,638 square feet of GFA for the main hospital. Future phases include a hospital expansion, medical office, and clinical and research buildings for an additional 776,000 square feet of GFA and a parking garage. A conceptual site plan was also approved for a mixed use development known as Hampton Park which, when fully developed, will contain up to 600 dwelling units, 135,000 square feet of commercial development, 125,000 square feet of office and a 250-room hotel. Approximately 25 acres in size, this M-X-T zoned property is located in the southwest quadrant of the Capital Beltway and Central Avenue and represents a major investment for the redevelopment of a shopping center past its prime. Another superlative development will be the Hotel at the University of Maryland, consisting of 405,000 square feet of hotel, retail and restaurant uses. A detailed site plan was approved for this 3.25-acre property located on US 1, just south of Paint Branch Parkway. This site is within the M-U-I and D-D-O Zones and is designated as an Innovation Corridor and priority employment area.

Montgomery County Parks Department

Activating Urban Parks: Activating parks in densely populated areas of Montgomery County is a priority for Montgomery Parks. In addition to serving as open space for a large population of residents, urban parks can also provide a common space for communities to gather, meet one another and enjoy time spent outdoors. While Montgomery Parks offers programming in ice rinks, tennis centers, nature centers, public gardens, historic sites and other facilities, most urban parks do not feature planned programs or activities. Urban Parks hosted several events this year including: Touch a Truck, Dig and Draw, Sharks in the Park in coordination with Discovery Communications and Family Cookouts at Wall Park. In addition to hosting events, staff working on urban park activation also coordinated improvements that enabled park visitors to actively use urban parks on a daily basis. Those improvements include Checkers and Chess, Shuffleboard, Ping Pong, moveable tables and chairs, "Heart Smart" trails and other outdoor exercise equipment.

Increasing and Improving Athletic Fields: Athletic Fields are a focus for Montgomery Parks, as a variety of user groups depend on park athletic fields to play softball, baseball, football, soccer, cricket and other sports. In the spring of 2015, a series of conversations between Montgomery Parks and the County Council created a focus on the following goals for the athletic field program: 1) improving the athletic field user's experience (in terms of quality of the playing surface and safety); 2) increasing capacity utilization of fields by improving field quality; 3) increasing maintenance efficiency; and 4) minimizing maintenance costs. Department of Parks' staff believes that the provision of quality athletic fields for both school and community users has been, and should remain, a priority in Montgomery County. As a result of these conversations and focus areas, we are now working to assess athletic field conditions at all M-NCPPC Montgomery County parks and at all MCPS elementary and middle schools and have added seven new school sites to M-NCPPC's contract for athletic field maintenance at select elementary and middle schools.

Enhancing the Trails System: Natural surface and hard surface trails are among the most popular facilities in the Montgomery County park system. Our efforts in this area have included continued work to prepare for a comprehensive amendment to the Countywide Trails Plan, which proposes a network of hard surface and natural surface trails on County parkland, and aims to update the methodologies, tools and strategies used for planning and implementing major park trail systems throughout the County.

Ensuring ADA Accessibility and Compliance: The Department of Parks remains committed to ensuring compliance and accessibility with the Americans with Disabilities Act (ADA) are incorporated throughout our planning, design, construction and operational processes and, to date, has made substantial progress complying with the terms of a Department of Justice (DOJ) Settlement Agreement. Self-evaluations of all parks were completed almost a year ahead of schedule, with 13,700 barriers to accessibility identified with a total estimated removal cost of \$48,000,000. Various ADA improvements ranging from parking lot rehabilitations and amenity renovations to replacing door knobs, faucets and signage have been completed at over 40 parks, and construction improvements have been completed at 16 of the 19 parks identified by DOJ. A Program Access Office was launched in February 2015 to coordinate, provide and manage ADA modifications for individuals with disabilities so that they can successfully be included in county-wide parks and leisure programs. Modifications provided through the Program Access Office include trained support staff, volunteer companions, large print and Braille materials, assisted listening devices, sign language interpreters, adaptive equipment, audio descriptions, continued monitoring of ADA compliance, and development and implementation of staff training materials covering disability and modification issues.

Preserving and Interpreting our History: Restoring and interpreting historic sites located on land managed by the Department of Parks is a critical part of the Department's mission. In FY 15, Parks' archeology and history-based programming at Oakley Cabin, the Underground Railroad Experience Trail, Kingsley Schoolhouse in Little Bennett, Josiah Henson Park, and Harper Cabin at Brookside Nature Center drew more than 3,330 citizens to programs at these sites. Cultural Resources staff initiated a new program for seniors that brings the history of Josiah Henson to assisted-living communities in the County. Along with the Montgomery Parks Foundation, Cultural Resources staff members developed a pilot educational program (via a Meyer Foundation grant) to reach out to Title I schools,

enabling forty-five children to learn about history and archaeology through a series of hands-on activities at Josiah Henson Park. Parks' Archaeologists completed a grant project at Oakley Cabin, which included the dating of the cabin based on intensive analysis of ceramics, glass, and nails. Oakley Cabin is now known to have been constructed prior to the Civil War—a critical aspect of its public interpretation. Archaeologists at Josiah Henson Park continue to investigate possible outbuilding sites on the former Riley Plantation with the help of many volunteers.

Managing the Deer Population: Deer population management was increased in 6 park locations, accounting for approximately 1,000 new acres. This increase resulted in the approximate harvest of 150 deer from these new locations, and the total annual harvest of 1,131 deer from parkland. Additionally, an effort to estimate deer population densities across broad geographic areas of the county was begun, with data reports expected during the fall/winter.

Acquiring Park Land and Open Space: The Legacy Open Space initiative identified open space lands that should be acquired and interpreted because of exceptional natural or cultural value to current and future generations of Montgomery County residents. Legacy Open Space will acquire or obtain easements or make fee-simple purchases on open-space lands of county-wide significance. The combination of non-County and County funds has resulted in the program successfully protecting over 3,200 acres of open space in the County, including 3,031 acres of in-fee acquisition and 1,167 acres of easements. Some of the land acquisitions include Ovid Hazen Wells Recreation Park, Dufeif Local Park, Ten Mile Creek Conservation Park, Muddy Branch Stream Valley Unit #2 and #4, Carrol Knolls Local Park, and the Patuxent River Watershed Conservation Park.

Montgomery County Planning Department

Focusing on Infrastructure and Growth: In FY15, the Montgomery County Planning Department focused on addressing growth and infrastructure solutions in the County. This effort was evident in the March 2015 Infrastructure and Growth Forum that was organized by the Department in partnership with Montgomery County Councilmember Roger Berliner. Important issues related to transportation and schools were addressed head-on by County officials, professional experts and community members at this day-long public event. Infrastructure and growth are now being addressed in the update to the Subdivision Staging Policy (formerly called the Growth Policy). This quadrennial policy is being crafted to include criteria and guidance for the administration of the Adequate Public Facilities Ordinance (APFO) which matches the timing of private development with the availability of public services.

Providing Valuable Research Data: The Planning Department's Research and Special Projects Division supported the focus on growth and infrastructure with the completion of the regional Office Market Assessment and kickoff of the County Rental Housing Study. These two projects provide the data and metrics on which planners base their best recommendations for master planning efforts. Staff is currently working on plans to launch a Retail Study and a Master Plan Reality Check, which will determine how well past plans have been implemented.

Improving the Quality of Design: Closely tied to these big-picture efforts is the Department's Design Excellence Initiative to improve the quality of environments – buildings, landscapes, streetscapes, public spaces – throughout the County. Excellent design is not just about beauty, it also raises levels of comfort, function and sustainability. Montgomery County deserves to have the highest quality design reflecting its educated citizen base and sophisticated public policy. Developing design guidelines as part of our master plans is an important step to improving the quality of life in all our communities. Urban design expert Noré Winter, who has worked to improve cities and suburbs all over the country, advised the Planning Department in January 2015 on the creation and implementation of more effective design guidelines for buildings, streetscapes and neighborhoods. New guidelines are now being drafted for application in communities throughout the County.

Collaborating with Stakeholders: At the same time, the Planning Department is continuing to improve the County's diverse communities by completing and developing master and sector plans in Aspen Hill, Downtown Bethesda, Greater Lyttonsville, Sandy Spring, Montgomery Village and Westbard. These efforts were bolstered by collaboration with thousands of stakeholders through new outreach programs aimed at engaging more citizens who do not typically participate in planning efforts.

Planning for Great Communities: Work on five new plans was undertaken, encompassing Downtown Bethesda, Aspen Hill Minor Master Plan, Sandy Spring Rural Village, Greater Lyttonsville, Montgomery Village and Westbard. The goal of all these planning efforts is to improve the quality of life in Montgomery County's diverse communities through recommendations for public spaces, transportation, environment, new development, and more.

Reaching Out to a Wider Audience: One major emphasis for master plans in FY15 was the strong focus on community outreach. In particular, the teams leading the Bethesda Downtown Plan and Greater Lyttonsville Sector Plan have been breaking new ground in terms of using innovative ways to reach out to community members who may not typically participate in the planning process. The Department's social media audience is growing every day and online engagement with stakeholders has included surveys, GIS applications and dynamic webpages.

Improving the Development Review Process: Throughout the year, the Planning Department processed a number of exciting development applications. In FY15, the Department's Development Application and Regulatory Coordination Division received and assigned more than 650 applications or amendments, forest conservation plans, special protection area plans, special exceptions, development plan amendments, local map amendments and mandatory referrals. Significant projects included 4990 Fairmont, Ripley II, the Blairs, and the new Park and Planning Office Building in Wheaton. The Department also worked on ways to improve our Development Review process, including shortening the time for processing of Record Plats and site plans. Staff and applicants have been working diligently to comply with the 120-day regulatory clock for site plan reviews while not sacrificing the quality of places created. In the past year, a few potential development plan applicants have submitted Concept Plans for comments before detailed drawings and engineering were started. The initial comments were well received by potential applicants and helped them understand problems that would need to be overcome to address the concerns of all review agencies. Work on improving the development review process is continuing and more changes are planned for fiscal year 2016 including the method and timing in which certified plans and record plats are reviewed and approved.

Fostering Excellence in Design: Improving the quality of the County's architecture and urban design is another of our goals that is moving forward. In FY15, Urban Design Expert Nore Winter advised staff on how to improve and implement design guidelines. This work has led to the planning of the Director's Advisory Panel and the First Annual Design Excellence Awards.

Supporting Historic Preservation: As part of its work to support the County's Historic Preservation Commission, the Historic Preservation Section processed 181 historic area work permits in FY15, a significant increase over the previous two years (124 and 149 applications, respectively). Staff also processed 95 historic preservation tax credit applications, representing more than \$3 million in investments in historic properties across the County.

Department of Human Resources and Management

Under the leadership of the Executive Director, the Department of Human Resources and Management (DHRM), provides executive and operational leadership to the agency through a set of best management practices, recommends and implements policy, and establishes administrative standards for efficient and effective operations. DHRM is responsible for systems and programs that meet regulatory requirements and support the agency. Programs and policies ensure fair and equitable treatment of all employees. DHRM administers a system to create, maintain, and retain a diverse, qualified, healthy, and motivated workforce. The Corporate Budget Office promotes responsible use of public funds through analysis and long-term fiscal planning. DHRM also provides risk management, workplace safety, and insurance programs to protect the Commission's assets, employees and patrons.

Program and Service Improvements: There were a number of new initiatives and notable updates to agency-wide programs and policies to strengthen internal controls, contain costs, address organizational development concerns, promote a workplace of excellence, and enhance public accountability.

National Recognition for Workplace of Excellence: Achieved again, national recognition for innovative policies and programs, many of which were developed by the department. The Commission received a national award

bestowed by the Alliance for Workplace Excellence following rigorous review of programming standards and interviews of staff and employees. The Workplace Excellence Award recognizes exceptional commitment to the overall success of workforce initiatives such as management practices, workplace standards, and comprehensive work/life policies.

Workforce Planning/Development: Continued implementing multi-year recommendations from comprehensive compensation/classification study to support ability to recruit/retain a highly skilled work force. Conducted management review of succession planning and workforce readiness. Began implementing succession planning initiatives to encourage employee skill enhancement and leadership development. Developed and adopted policies promoting internal salary equity and employee retention. With Diversity Council, adopted strategic plan and implemented programs to encourage agency wide support of diversity initiatives.

Collective Bargaining: DHRM led the management negotiating team in bargaining with two unions. Conducted full contract negotiations with the Municipal and County Government Employees Organizations (MCGEO) and implemented the FY14 negotiated contract with Fraternal Order of Police (FOP) The focus of the management bargaining team was on restructuring compensation and benefits to levels which are competitive yet more fiscally sustainable and adopting contract changes to improve operations..

Pension and Benefits Restructuring/Health Care Reform: The agency maintained compliance with the Affordable HealthCare Act (ACA) through health plan design reforms. Cost sharing changes were implemented to maintain competitive benefits at more sustainable funding levels. 2016 changes in ACA requirements necessitated additional review and development of program changes for continued compliance. Other achievements included: \$600,000 of savings from prescription plan design changes and \$450,000 through the Medicare Part D (Prescription) Subsidy program. Changes resulting from the Medicare Part D Plan also reduced the Other Post-Employment Benefits (OPEB) Annual Required Contribution (ARC) As a result of Collective Bargaining with MCGEO, the Group Insurance Fund Reserve was adjusted from 7.0% to 7.5%. Greater pension cost sharing through Collective Bargaining with FOP resulted in increased employee contributions of .5% in FY15 and another .5% in FY16.

Fiscal Responsibility and Budget Management: In partnership with the Finance Department, received the Distinguished Budget Presentation Award from GFOA for the 29th consecutive year. The Corporate Budget Office is responsible for salary projections, long range planning, labor cost modeling, and cost allocations and serves as the main point of contact for administration of the agency budgets. Departmental budget activities are streamlined to strengthen tracking, cost containment, oversight, and increase transparency Significant work effort during the FY16 budget sessions resulted in a revised long-term fiscal plan for the Commission's Prince George's operations.

Risk Management/Workplace Safety Oversight: This function provides oversight and protection of Commission assets through purchase of insurance, contractual transfer of risk, program and operational analysis, mitigation of insured losses, loss prevention and related program and policy development to minimize risk and loss potential. This Office also is charged with developing and implementing the Commission's safety and health programs to reduce accidents and injuries through extensive training, inspections, testing, and regulatory compliance with state and federal workplace safety laws. Some key accomplishments include: completed comprehensive review of risk management and workplace safety policies for loss prevention best practices and compliance with evolving safety regulations; developed OSHA certification training for maintenance/construction supervisors to enhance understanding and application of federal safety standards; developed response protocols for handling communicable disease; redesigned blood-borne pathogen training for all first responders to include new Center for Disease Control components on communicable diseases; and conducted mandatory safety and liability awareness training for more than 1200 participants.

Enterprise Resource Planning System (ERP): In partnership with the Department of Finance, DHRM implemented new Human Resources Information and Budget Management Systems to include, training of operating departments, and revamping of internal processes. ERP allows integration of multiple functions such as Human Resources, Payroll, Budget and other components to create greater data consistency, greater efficiencies, and provide better information for decision making purposes.

Corporate Policy/Operational Standards: Conducted ongoing and comprehensive review of organizational policies to address operational concerns, enhance efficiencies, strengthen internal controls, and address regulatory changes.

Developed and adopted policies to address internal pay equity, retention of critical employees, and ADA standards for public accommodations (use of mobility devices, service animals, event ticketing, and grievance procedures). Updated overtime program standards to improve administration and reduce reliance on overtime compensation. Initiated comprehensive review of public records and archive program, standards governing temporary contract employment, public accountability and ethics standards, time and attendance policies, and no smoking standards. In partnership with the Office of the Chief Information Officer, developed protocols/standards for business use of mobile technology, and system and data security.

Department of Finance

The Department of Finance provides fiscal management and oversight of all Commission financial activities. Services include: providing financial guidance to operating departments; financial reporting and policy development; processing of payroll, disbursements and purchasing transactions; investment management; debt issuance; and information systems management.

Corporate Financial Management: The Department provided financial guidance to operating departments on proposed and existing public, private partnerships, funding approaches for various projects, and long-term fiscal strategy.

Automating/Streamlining Efforts: Efforts continued on the Enterprise Resource Planning (ERP) system with focus being on the Human Capital Management system. HR Payroll went live in January in the new system. The Finance Accounting division continues to make improvements and streamline processes in the Enterprise Financial Management (EFM) module.

Information Systems Support: The IT Divisions provides management and support to all departments within Central Administration Services (CAS), which includes: management of enterprise applications; managing a disaster recovery site located at the Prince George's County Administrative Building. The division provides security governance and administration to ensure the protection of Commission data, security administration, accountability and maintenance for all CAS information systems and services. Major efforts included: Acquisition of an additional C7000 to ensure duplicity of the virtualized architecture for business continuity, upgraded Internet bandwidth for increased use of hosted applications; additional monitoring software for to ensure security compliance; and completion of Annual Controlled Assets inventory.

Outreach to Minority, Female and Disabled Vendors: The Department's Purchasing Division continues to expand its outreach efforts in trade and procurement events. These events reflect the increasing diversity of the two Counties. The Commission achieved an MFD utilization rate of 25.7% which equated to \$31.9 million of procurement with MFD firms.

Financial Reporting: For the 41th consecutive year, the Commission received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada for the FY 2014 Comprehensive Annual Financial Report (CAFR), prepared by the Finance Department.

Office of General Counsel

The Office of the General Counsel (OGC or Legal Department) provides a comprehensive program of legal services to the Commission, supporting almost every facet of the Commission's work program. The OGC guides the Commission's internal corporate operations; advises staff and the Planning Boards as they navigate their important quasi-judicial and regulatory responsibilities; advocates on the Commission's behalf in litigation before the state and federal courts; and participates in cross-functional teams assembled periodically to develop creative solutions to new challenges facing the Commission.

Protecting the Public Interest in Litigation: During FY 2015, the OGC handled 38 new cases and closed 44 cases – ending the Fiscal Year with 35 cases still pending in the state and federal courts of Maryland. In addition to

the more conventional disputes that involve various tort claims, workers compensation laws or judicial review of Commission land use decisions, OGC's litigation portfolio during the year included defending one federal lawsuit seeking the destruction or removal of the Bladensburg Peace Cross historic monument, and defending another unmeritorious, high-profile case lodged by a disappointed real estate speculator in Montgomery County. The Legal Department also continued fine-tuning the process for enforcing parkland encroachments in Montgomery County and has embarked on new enforcement measures in Prince George's County as well.

Proactive Legal Support for Commission Policy Makers: The Legal Department continued its tradition of delivering real-time, preventive counsel to support sound business and public policy decisions. Examples of challenging issues encountered during FY 2015 include: the total overhaul of the Montgomery County subdivision regulations; the ongoing development of a new zoning ordinance in Prince George's County; and corporate-wide implementation of new requirements phased-in under the Affordable Care Act, along with general employment-related compliance issues.

Building Quality of Life – One Transaction at a Time: Commission attorneys represented staff and the Planning Boards in the negotiation and development of dozens of complex agreements, memoranda of understanding, and policies related to the Commission's park and recreation functions. Examples of important projects initiated or completed during FY 2015 include a multi-party technology agreement ultimately empowering citizens to register for classes, rent public facilities and participate in programs offered by the Commission, the Montgomery County Recreation Department and a number of other area agencies using a online portal for one-stop-shopping. Another undertaking during the year included developing a memorandum of understanding with the Prince George's County Government necessary to advance Chesapeake Bay water quality goals established under the State's Watershed Implementation Program (WIP) Phase II Plan. Other projects ongoing or completed during the year include: the negotiation of agreements related to the Purple Line light rail project in Montgomery and Prince George's Counties; a commercial real estate acquisition to support a new Park Police headquarters and communication facility in Prince George's County; and a new regional planning headquarters facility in Wheaton.

Legislative Support: In its role as legislative advocate for the Commission, the OGC Legislative Management Team lobbied or monitored over 100 bills during the 2015 Session of the Maryland General Assembly; 13 of which either were local or "bi-county" bills for Prince George's or Montgomery County.

Office of the Chief Information Officer

The Office of the Chief Information Officer develops the Information Technology architecture and recommends information technology policies for the Commission. Policies are authorized by the Information Technology Council. The Information Technology Council and the Chief Information Officer provide the Commission governance for enterprise-wide project efforts. The Bi-County Chief Technology Officers have a dotted line reporting relationship to the Chief Information Officer.

Fiscal year 2016 (FY16) has seen continued success in policy creation in the face of increase information technology security threats and breaches. Working with the Office of Internal Audit we have stepped up our review of our information technology environment and the policies that govern it. Our focus is to ensure the confidential, integrity, and availability of Commission data. This work will continue as the threats continually change.

Another FY16 area of focus in the Office of the Chief Information Officer is the governance model of enterprise wide information technology projects. Working with the Information Technology Council we are evaluating how projects are prioritized and authorized with the expectation of improving our efficiency.

The challenge areas for the Office of the Chief Information Officer include the volume of projects requiring information technology project leadership, and numerous opportunities to improve and optimize the information architecture and its efficiency in comparison to our size. These two challenges require the Office of the Chief Information Officer and the Information Technology Council to triage the many opportunities presented.

Office of Internal Audit

The primary focus of the Commission's Office of Internal Audit is to provide the Board and Department Heads with objective information to assist them in determining whether Commission operations are adequately controlled and whether the required high degree of public accountability is maintained over public funds and to improve the efficiency and effectiveness of the Commission. To accomplish this, in fiscal year 2015 more than 52 audits and reviews were performed and a variety of consulting services were provided to ensure the reliability and integrity of financial records, compliance with established policy and procedures, accountability and protection of Commission assets and the achievement of program objectives.

Merit System Board

The Merit System Board is an impartial Board, which provides recommendations and decisions regarding the Merit System of the Commission and is the highest level within the Commission for hearing appeals. During FY15, the Board continued to maintain its caseload on a current and timely basis.

Employees' Retirement System

The Employees' Retirement System (ERS), administered by an 11-member Board of Trustees, in accordance with the Trust Agreement between the Board and the Commission, is a contributory defined benefit pension system with five plans, qualified under the Internal Revenue Code Section 401(a). The administrative operations are the responsibility of the ERS Staff and Board-appointed Administrator, who reports directly to the Chairman of the Board of Trustees.

ERS Trust Fund assets closed the year with a fair market value in excess of \$792 million. For the one, three, and five year period ending June 30, 2015, the ERS posted net of fee returns of .61%, 9.0% and 10.0%, respectively. The Board of Trustees actions for the year included adopting a Pension Funding Policy which is considered a "best practice" recommended by Government Accounting Standards Board Statement 67, the Government Finance Officers Association and the bond rating agencies. A pension funding policy records the funding objectives and strategy set by the Board to ensure future benefit payments to members. Additional initiatives and accomplishments included initial funding of the middle market direct lending manager; engagement of Northern Trust as a transition manager; search and selection of a small cap value manager to replace the existing manager; continued monitoring of the existing investment managers; discussion of additional commitments to private real assets; and approving a reduction of the investment return assumption to 7.25% for the July 1, 2015 actuarial valuation. The ERS received a favorable IRS Determination Letter that is valid until January 31, 2019 and has continued comprehensive communications to all members via an Annual Report, Comprehensive Annual Financial Report, Annual Statements, website, and educational on-site workshops and counseling for participants

◆ PART IIA ◆

FINANCIAL SECTION

Basic Financial Statements



**The Wonderful Wizard of Oz Imagination Playground
In Watkins Regional Park**



INDEPENDENT AUDITORS' REPORT

Board of Commissioners
The Maryland-National Capital Park and Planning Commission
Riverdale, Maryland

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of The Maryland-National Capital Park and Planning Commission (the Commission), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Montgomery County Parks Foundation, Inc., a discretely presented component unit, which represents 100% percent of the assets, net position, and revenues of the aggregate discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Montgomery County Parks Foundation, Inc., is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Montgomery County Parks Foundation, Inc. were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of The Maryland-National Capital Park and Planning Commission as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

During fiscal year ended June 30, 2015, the Commission adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions and the related GASB Statement No. 71 Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68. As a result of the implementation of these standards, the Commission reported a restatement for the change in accounting principle (see Note 6.) Our auditors' opinion was not modified with respect to the restatement.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules related to the defined benefit pension plans, and the schedule of funding progress for other postemployment benefit plans, as referenced in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The supplementary data listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary data is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical tables listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2015, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Clifton Larson Allen LLP". The signature is written in a cursive, flowing style.

Calverton, Maryland
December 22, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

As the management of The Maryland-National Capital Park and Planning Commission ("the Commission"), we offer readers of the Commission's financial statements this narrative overview and analysis of the financial activities for the Commission for the fiscal year ended June 30, 2015.

The Maryland-National Capital Park and Planning Commission is a body corporate of the State of Maryland established by the General Assembly in 1927. The Commission is a bi-county agency. It is empowered to acquire, develop, maintain and administer a regional system of parks in a defined Metropolitan District of Montgomery and Prince George's Counties and to prepare and administer a general plan for the physical development of a defined Regional District for the two Counties. The Commission also conducts the recreation program for Prince George's County.

The major source of funding for the Commission's primary services are five property taxes levied on an individual County basis:

- Montgomery County
 - Administration tax - general administration and planning
 - Park tax - park operations and debt service for park acquisition and development bonds
- Prince George's County
 - Administration tax - general administration and planning
 - Park tax - park operations and debt service for park acquisition and development bonds
 - Recreation tax - the recreation program

Five separate accounts are maintained within the General Fund to account for the Commission's primary services. Revenues and expenditures that can be specifically identified with a county are recorded in the appropriate account. Expenses that apply to both counties are allocated to the appropriate accounts. Debt is issued on a county basis, not for the Commission as a whole. General obligation debt is guaranteed by the Commission and by the county government for which the proceeds will be expended. Due to this unique arrangement, certain financial information provided in this discussion and analysis, as well as in the summaries presented in Note 6 of the Notes to the Financial Statements, has been provided by county to reflect the financing constraints within each county. Other funds and accounts are maintained on a Commission-wide or on a separate county basis as necessary and appropriate.

Financial Highlights

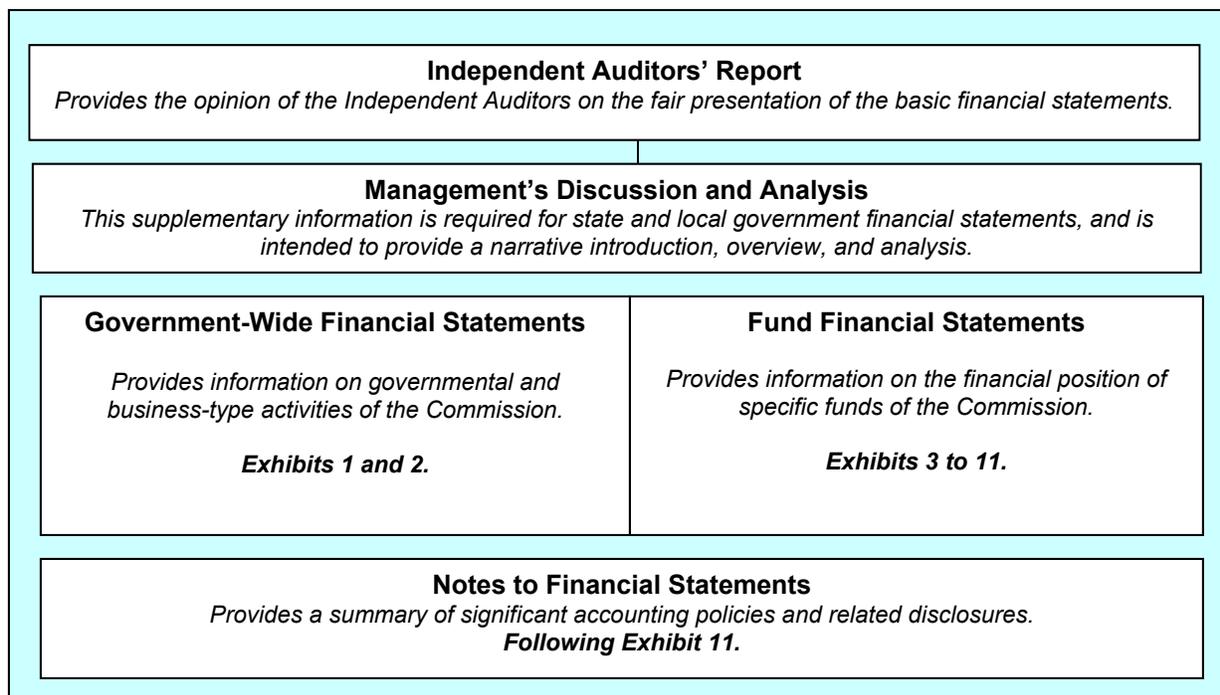
- The assets of the Commission exceeded its liabilities and deferred inflow of resources at June 30, 2015 by \$954.0 million (net position). Of this amount, \$155.2 million may be used to meet the Commission's ongoing obligations.
- The Commission's net position grew by \$19.7 million during fiscal year 2015. This is largely a result of: an increase in capital assets of \$54.0 million, \$44.9 million of grants and contributions, debt principal payments of \$11.9 million as well as an increase in property taxes of \$5.7 million. These are offset by the increase in the OPEB liability of \$4.7 million and an increase in the Pension Liability of \$123.2 million due to the implementation of GASB 68.
- The Commission implemented GASB No. 68 during the year ended June 30, 2015. As part of the implementation, the Commission restated net position as of June 30, 2014. The amount of the restatement was \$65,254,563.
- As of June 30, 2015, the Commission's governmental funds reported combined ending fund balances of \$284.7 million, a decrease of \$43.2 million. Of this amount, \$112.3 million is unassigned, \$50.0 million is assigned, \$111.2 million is committed, \$10.8 million of fund balance is restricted and \$0.4 million is nonspendable.
- The Commission's General Fund balance at June 30, 2015 was \$189.3 million, a decrease of \$20.7 million during the year. The unassigned fund balance of \$141.1 million is approximately 38.4% of fiscal year 2015 expenditures and transfers out.

- The Montgomery County Capital Projects Fund balance at June 30, 2015 was \$4.3 million, a decrease of \$3.8 million. The unassigned fund deficit of \$28.7 million results from a committed fund balance for long-term contracts, many of which will be funded when expended by reimbursements by Montgomery County Government or by reimbursable grants.
- The Prince George's County Capital Projects Fund balance at June 30, 2015 was \$76.6 million, a decrease of \$19.7 million. The fund balance has decreased due to the postponement of the bond issue.
- The assets plus deferred outflows of the enterprise funds exceeded liabilities by \$66.6 million, a decrease of \$1.7 million. The Prince George's Enterprise Fund had a decrease in net position of \$2.2 million and the Montgomery Enterprise Fund had an increase in net position of \$0.5 million.
- The Commission's bonds and notes payable decreased by \$11.8 million due to scheduled principal payments.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Commission's basic financial statements. The Commission's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Organization and Flow of Financial Section Information



Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Commission's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Commission's assets and liabilities and deferred inflow of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The statement of activities presents information showing how the Commission's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this

statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Commission that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Commission include General Government, County Planning and Zoning, Park Operations and Maintenance, Recreation Programs and Interest on Long-term Debt. The business-type activity of the Commission is Recreational and Cultural Facilities.

The government-wide financial statements include not only the Commission itself (known as the Primary Government), but also a legally separate entity known as a Component Unit. The Montgomery County Parks Foundation, Inc. is the Commission's discretely presented component unit, which is presented as a separate column in the government-wide statements.

The government-wide financial statements can be found as Exhibits 1 and 2 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Commission, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Commission can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. For both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances, reconciliations are provided to facilitate this comparison between governmental funds and governmental activities.

The Commission maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Capital Project Funds for each county, all of which are considered to be major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements, Schedules 1 and 2 in the Combining and Individual Statements section of this report.

The Commission adopts an annual appropriated budget for its General Fund, which is actually adopted as five "accounts" corresponding to the five different property tax levies. A budgetary comparison statement for the total General Fund has been provided as Exhibit 6, and summaries for each account are included in Note 6 of the Notes to the Financial Statements, to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found as Exhibits 3 - 6 of this report.

Proprietary funds. The Commission maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Commission uses enterprise funds to account for Recreational and Cultural Facilities in both Montgomery and Prince George's Counties.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the Commission's various functions. The Commission uses internal service funds to account for Montgomery County's Capital Equipment, Employee Benefits and Risk Management and Prince George's County's Capital

Equipment, Executive Office Building, Employee Benefits, and Risk Management, and Commission-wide Initiatives. As these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each county's Recreational and Cultural Facilities, both of which are considered to be major funds of the Commission. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements, Schedules 7 - 9 in the Combining and Individual Statements Section of this report.

The basic proprietary fund financial statements can be found as Exhibits 7 - 9 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Commission uses fiduciary funds to account for the Employees' Retirement System Pension Trust, Postemployment Benefit Trust, and Private Purpose Trusts for each county, and two agency funds. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Commission's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary financial statements can be found as Exhibits 10 and 11 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Commission has also included financial statements for each county's portion of the governmental funds financial statements to reflect the relationship between the financing sources and responsibility for debt. The Notes to the Financial Statements can be found following Exhibit 11 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Commission's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees. Required supplementary information can be found immediately following the Notes to the Financial Statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Commission, assets exceeded liabilities by \$954.0 million at the close of the most recent fiscal year. A summary of the Commission's net position follows:

| Summary of Net Position (millions) June 30, 2015 and 2014 | | | | | | | |
|--|-------------------------|----------|--------------------------|---------|----------|----------|--|
| | Governmental Activities | | Business-type Activities | | Total | | Total Percentage Change 2014-2015 |
| | 2015 | 2014* | 2015 | 2014* | 2015 | 2014* | |
| <u>Assets</u> | | | | | | | |
| Current and Other Assets | \$ 394.7 | \$ 433.7 | \$ 13.9 | \$ 12.5 | \$ 408.6 | \$ 446.2 | -8.4% |
| Capital Assets | 825.6 | 768.9 | 62.3 | 65.0 | 887.9 | 833.9 | 6.5% |
| Total Assets | 1,220.3 | 1,202.6 | 76.2 | 77.5 | 1,296.5 | 1,280.1 | 1.3% |
| Deferred Outflows | 50.9 | - | 1.8 | - | 52.7 | - | n/a |
| <u>Liabilities/Deferred Inflows</u> | | | | | | | |
| Current Portion of Long-term | | | | | | | |
| Liabilities | 27.4 | 26.7 | 0.4 | 0.4 | 27.8 | 27.1 | 2.6% |
| Long-term Liabilities | 308.8 | 194.2 | 8.3 | 3.9 | 317.1 | 198.1 | 60.1% |
| Other Liabilities/Deferred Inflows | 47.6 | 52.8 | 2.7 | 2.6 | 50.3 | 55.4 | -9.2% |
| Total Liabilities | 383.8 | 273.7 | 11.4 | 6.9 | 395.2 | 280.6 | 40.8% |
| <u>Net Position</u> | | | | | | | |
| Net investment in Capital | | | | | | | |
| Assets | 736.5 | 693.1 | 62.3 | 65.0 | 798.8 | 758.1 | 5.4% |
| Unrestricted | 150.9 | 235.8 | 4.3 | 5.6 | 155.2 | 241.4 | -35.7% |
| Total Net Position | \$ 887.4 | \$ 928.9 | \$ 66.6 | \$ 70.6 | \$ 954.0 | \$ 999.5 | -4.6% |

**The Commission implemented GASB Statement No. 68 effective July 1, 2014. The 2014 amounts have not been restated to reflect the implementation of GASB 68.*

Current and other assets decreased by 8.4% mainly due to the spend-down of restricted cash on construction projects. Long-term liabilities increased by 60.1% due to the implementation of GASB 68. Changes in other liabilities and deferred inflows were primarily a result of a decrease in accounts payable. Changes in net position are discussed later.

By far the largest portion of the Commission's net position reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and intangibles and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Commission uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the Commission's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of \$155.2 million of net position is unrestricted and may be used to meet the Commission's ongoing obligations to citizens and creditors. Changes in this balance are discussed later.

At the end of the current fiscal year, the Commission is able to report positive balances in both categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

A summary of changes in net position follows:

Summary of Changes in Net Position (in millions)
For the Fiscal Years Ended June 30, 2015 and 2014

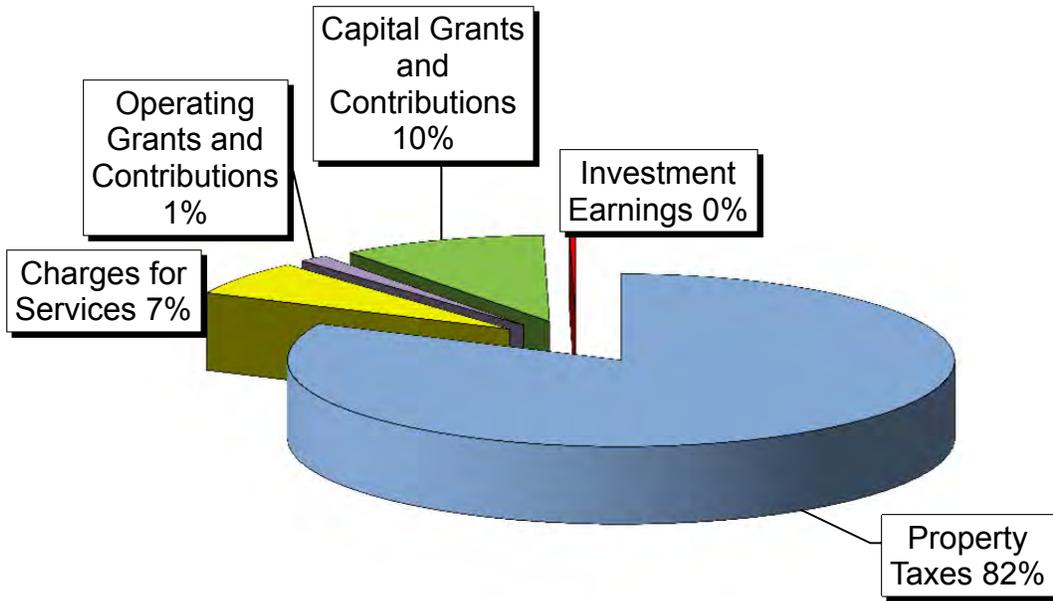
| | Governmental Activities | | Business-type Activities | | Total | | Total Percentage Change 2014-2015 |
|---|----------------------------|-----------------|-----------------------------|----------------|-----------------|-----------------|--|
| | 2015 | 2014* | 2015 | 2014* | 2015 | 2014* | |
| Program Revenues: | | | | | | | |
| Charges for Services | \$ 26.0 | \$ 24.9 | \$ 19.4 | \$ 19.8 | \$ 45.4 | \$ 44.7 | 1.6% |
| Operating Grants and Contributions | 5.4 | 5.8 | - | 0.1 | 5.4 | 5.9 | -8.5% |
| Capital Grants and Contributions | 39.5 | 26.9 | - | - | 39.5 | 26.9 | 46.8% |
| General Revenues: | | | | | | | |
| Property Taxes | 326.4 | 320.7 | - | - | 326.4 | 320.7 | 1.8% |
| Investment Earnings | 1.2 | 0.9 | 0.1 | - | 1.3 | 0.9 | 44.4% |
| Total Revenues | 398.5 | 379.2 | 19.5 | 19.9 | 418.0 | 399.1 | 4.7% |
| Expenses: | | | | | | | |
| General Government | 21.1 | 17.9 | - | - | 21.1 | 17.9 | 17.9% |
| County Planning and Zoning | 49.2 | 58.6 | - | - | 49.2 | 58.6 | -16.0% |
| Park Operations and Maintenance | 227.9 | 204.8 | - | - | 227.9 | 204.8 | 11.3% |
| Recreation Programs | 65.2 | 66.4 | - | - | 65.2 | 66.4 | -1.8% |
| Recreational and Cultural Facilities | - | - | 31.0 | 31.1 | 31.0 | 31.1 | -0.3% |
| Interest on Long-term Debt | 3.9 | 3.4 | - | - | 3.9 | 3.4 | 14.7% |
| Total Expenses | 367.3 | 351.1 | 31.0 | 31.1 | 398.3 | 382.2 | 4.2% |
| Increase (Decrease) in Net Position Before Transfers | 31.2 | 28.1 | (11.5) | (11.2) | 19.7 | 16.9 | 16.6% |
| Transfers | (9.7) | (8.9) | 9.7 | 8.9 | - | - | |
| Increase (Decrease) in Net Position | 21.5 | 19.2 | (1.8) | (2.3) | 19.7 | 16.9 | |
| Net Position - beginning | 865.9 | 909.7 | 68.4 | 72.9 | 934.3 | 982.6 | |
| Net Position - ending | \$ 887.4 | \$ 928.9 | \$ 66.6 | \$ 70.6 | \$ 954.0 | \$ 999.5 | |

*The Commission implemented GASB Statement No. 68 effective July 1, 2014. The 2014 amounts have not been restated to reflect the implementation of GASB 68.

During the current fiscal year the Commission's net position increased by \$19.7 million. This is largely a result of an increase in capital assets of \$54.0 million, \$44.9 million of grants and contributions, debt principal payments of \$11.9 million as well as an increase in property taxes of \$5.7 million. These are offset by the increase in the OPEB liability of \$4.7 million and an increase in the Pension Liability of 123.2 due to the implementation of GASB 68.

Governmental activities. Governmental activities increased the Commission's net position by \$21.5 million, thereby accounting for 109% of the total growth in the net position of the Commission. This increase is primarily attributable to capital grants receipts of \$39.5 million, offset by a deficit of ongoing revenues over ongoing expenses of \$8.3 million and by the transfers to business-type activities of \$9.7 million.

Revenues by Source - Governmental Activities



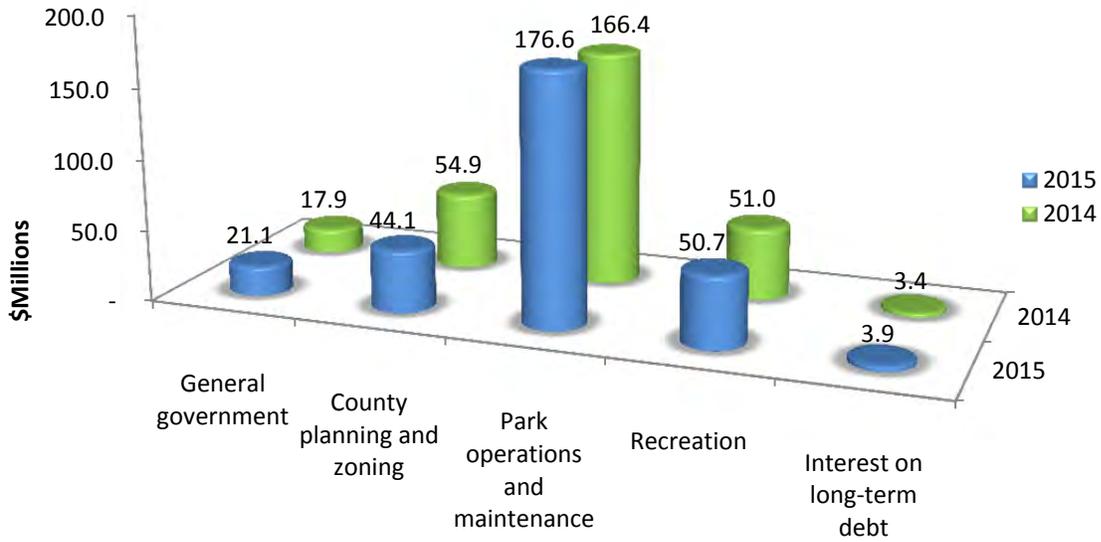
As the above diagram shows, property taxes make up 82% of Commission governmental revenues.

As is reflected in the following chart, the Commission's governmental activities are largely supported by general revenues and in particular property taxes. Charges for services and operating grants cover 8.5% of governmental activities expenses.

The overall total cost of services and net cost of services increased by 4.6% and 1.0% respectively for FY 2015 compared to FY 2014.

| Net Cost of Governmental Activities (000's) For the Fiscal Years Ended June 30, 2015 and 2014 | | | | | | |
|--|---------------------------|-------------------------|---------------------------|-------------------------|----------------------------------|----------------------------|
| | 2015 | | 2014 | | Percentage Change 2014 - 2015 | |
| | Total Cost Of Services | Net Cost Of Services | Total Cost Of Services | Net Cost Of Services | Total Of Services | Net Cost Of Services |
| General Government | \$ 21,133 | \$ 21,133 | \$ 17,923 | \$ 17,923 | 17.9% | 17.9% |
| County Planning and Zoning | 49,148 | 44,138 | 58,570 | 54,885 | -16.1% | -19.6% |
| Park Operations and Maintenance | 227,850 | 176,588 | 204,796 | 166,365 | 11.3% | 6.1% |
| Recreation Programs | 65,247 | 50,653 | 66,430 | 50,983 | -1.8% | -0.6% |
| Interest on Long-term Debt | 3,900 | 3,900 | 3,413 | 3,413 | 14.3% | 14.3% |
| Total | \$ 367,278 | \$ 296,412 | \$ 351,132 | \$ 293,569 | 4.6% | 1.0% |

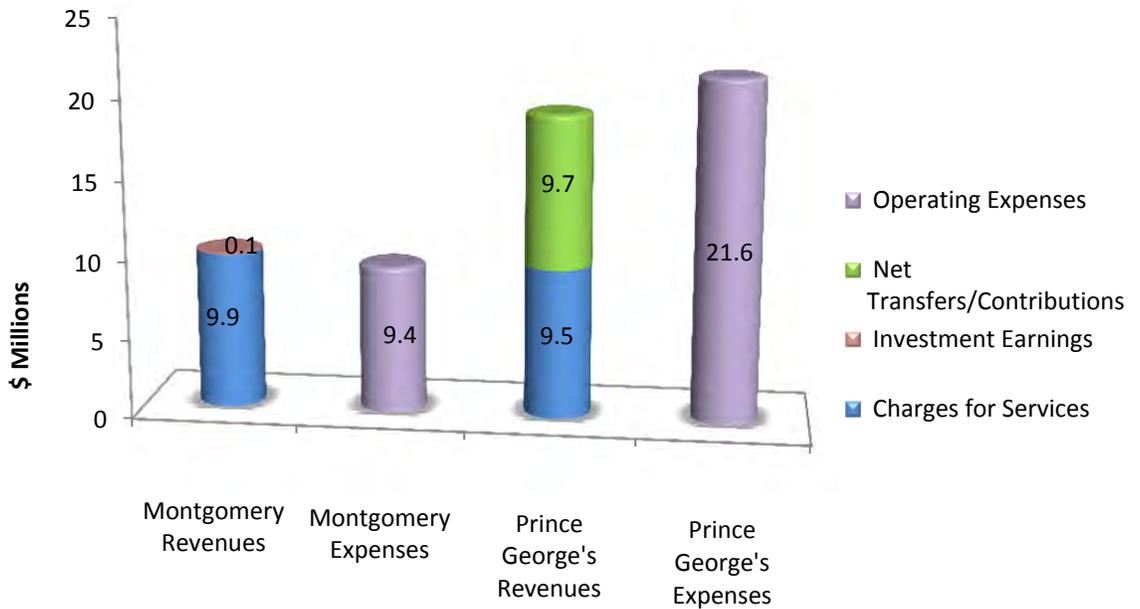
Net Cost by Function - General Government



Business-type Activities. Business-type activities expenses in excess of revenues led to a decrease in the Commission’s net position of \$1.8 million.

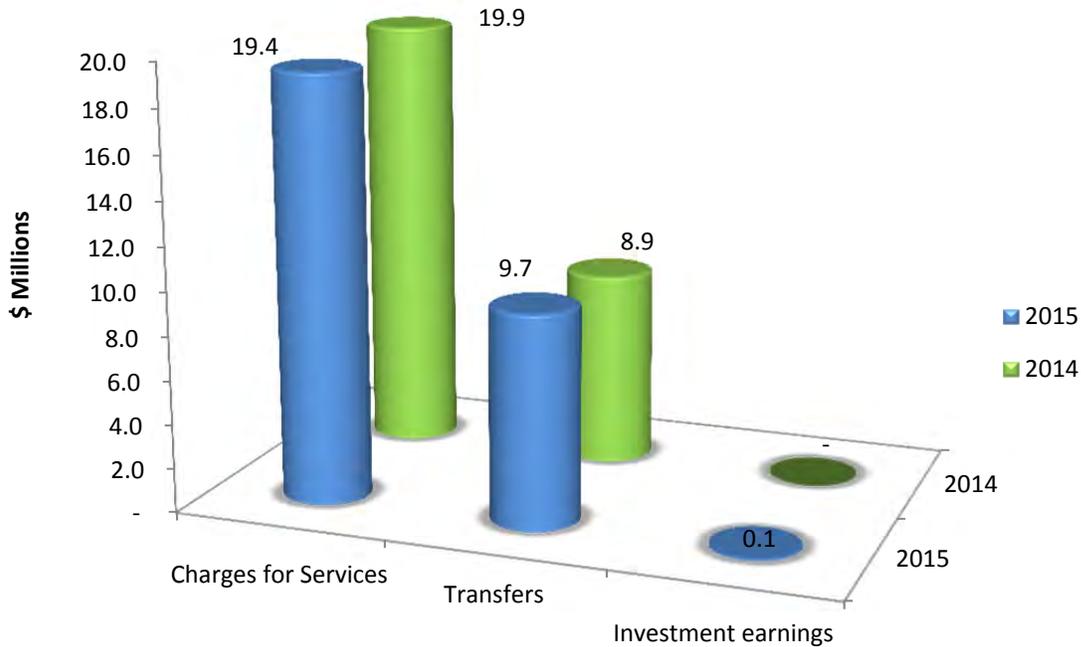
- Expenses of operating these recreational and cultural activities (including interest expense) exceeded charges for services, current operating grants and interest income by \$11.5 million.
- Governmental activities contributed \$9.7 million to support the enterprise activities. The funding is primarily for the Prince George’s County business-type activities.

Changes in Net Position - Business-type Activities



The operating losses occurred primarily as a result of operations at the Prince George’s County Sports and Learning Center, the Equestrian Center/Showplace Arena, the Golf Courses, Tennis Bubbles, and the Ice Rinks. More detail is provided later in the Proprietary Funds discussion.

Revenues by Source - Business-type Activities



Charges for services make up the major portion of revenues for the business-type operations, although support from governmental operations (transfers) also makes up a significant portion.

As noted earlier, the Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Financial Analysis of the Commission’s Funds

Governmental funds. The focus of the Commission’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Commission’s financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Commission’s governmental funds reported combined ending fund balances of \$284.7 million, a decrease of \$43.2 million in comparison with the prior year. Approximately 39.5% of this total amount, or \$112.3 million, constitutes unassigned fund balance, which is available for spending in future years and provides reserves for unforeseen expenditure needs. The remaining fund balances are restricted, committed or assigned to indicate that they are not available for new spending as \$0.4 million is non-spendable, \$111.2 million has been committed for contracts and purchase orders, \$10.8 million is restricted and \$50.0 million is assigned to fund fiscal year 2016 expenditures.

The General Fund is the primary operating fund of the Commission. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$141.1 million, while total fund balance was \$189.3 million. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 38.4% of the total general fund expenditures and transfers out, while total fund balance represents 51.6% of the same amount.

The fund balance of the Commission's General Fund has decreased by \$20.7 million during the current fiscal year. Key factors that generated this decrease are as follows:

- A decrease of \$43.9 million was planned in the final budget for fiscal year 2015.
- Receipts from Charges for Services and Rentals and Concessions were \$.7 million higher than anticipated due to a slight increase the general economic conditions.
- Property tax revenues were \$1.3 million higher than budgeted.
- Control of expenditures generated \$16.7 million savings to provide funding for future years' budgets.

The capital project fund for Montgomery County has a total fund balance of \$4.3 million and Prince George's County has a fund balance of \$76.6 million, all of which represents authorized and funded projects that are not completed. The net change in fund balances during the current year in these funds were a decrease of \$3.8 million in Montgomery County, and a decrease of \$19.7 million in Prince George's County primarily due to the deferral of the bond issues to fiscal year 2016, offset by the \$16.2 million transfer from the general fund to the capital projects fund for Prince George's County and construction grants realized of \$19.2 million in Montgomery County and \$5.1 million in Prince George's County. Expenditures for the fiscal year were \$23.4 million in Montgomery County and \$41.7 million in Prince George's County.

Proprietary Funds. The Commission has determined that certain recreational and cultural facilities should be predominantly self-supporting through user fees. Enterprise fund accounting and reporting is used to emphasize the self-supporting nature of these activities and to provide improved cost accounting information. Enterprise Fund accounting, which is on a commercial accounting accrual basis, more accurately reflects whether individual facilities return the full cost of the program.

One enterprise fund has been established in each county to account for the various facilities. Separate cost centers are maintained for each major type of facility including an historical airport, four ice rinks, three golf courses, four enclosed tennis facilities, three conference centers, an equestrian center, a multipurpose arena, a trap and skeet center, certain regional park facilities, a sports and learning complex and a marina. Four golf courses in Montgomery County have been leased to the Montgomery County Revenue Authority since April 2006.

The Commission's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Montgomery County fund at the end of the year amounted to \$4.5 million and those for the Prince George's County fund amounted to \$(0.3) million. The total changes in net position for the funds were an increase in the Montgomery County fund of \$0.5 million and a decrease of \$2.3 million in the Prince George's County fund.

Summary comparative results of the financial operations of the Enterprise Funds follow:

| Financial Operations of the Enterprise Funds (000's) For the Fiscal Years Ended June 30, 2015 and 2014 | | | | |
|---|----------------------|-----------|---------------------------|------------|
| | Montgomery County | | Prince George's County | |
| | FY2015 | FY2014 | FY2015 | FY2014 |
| Operating Revenues | \$ 9,868 | \$ 10,079 | \$ 9,536 | \$ 9,779 |
| Operating Expenses, Excluding Depreciation | 8,159 | 8,010 | 18,898 | 18,437 |
| Operating Income (Loss), Excluding Depreciation | 1,709 | 2,069 | (9,362) | (8,658) |
| Depreciation | 1,242 | 1,495 | 2,663 | 3,085 |
| Operating Income (Loss) | 467 | 574 | (12,025) | (11,743) |
| Nonoperating Revenue (Expense) | 58 | 14 | 38 | (7) |
| Transfers/Contributions | - | - | 9,726 | 8,922 |
| Change in Net Position | \$ 525 | \$ 588 | \$ (2,261) | \$ (2,828) |

Comparative Montgomery County key data are as follows:

| Montgomery County Enterprise Fund Key Data (000's) For the Fiscal Years Ended June 30, 2015 and 2014 | | | | | | |
|---|-----------------------|-----------|----------|---|----------|----------|
| | Operating Revenues | | | Operating Income (Loss) Excluding Depreciation | | |
| | FY2015 | FY2014 | Change | FY2015 | FY2014 | Change |
| Event Centers | \$ 775 | \$ 713 | \$ 62 | \$ 18 | \$ 19 | \$ (1) |
| Golf Courses | 21 | 24 | (3) | 21 | 24 | (3) |
| Ice Rinks | 4,812 | 4,601 | 211 | 862 | 1,097 | (235) |
| Indoor Tennis | 1,794 | 1,809 | (15) | 424 | 510 | (86) |
| Park Facilities | 2,466 | 2,932 | (466) | 384 | 419 | (35) |
| Total | \$ 9,868 | \$ 10,079 | \$ (211) | \$ 1,709 | \$ 2,069 | \$ (360) |

The Montgomery County Enterprise Fund revenues decreased by \$211,000 and operating income decreased by \$360,000. Even though operating income at the Event Centers remained flat, revenue was higher due to an increase in social and business event bookings. Revenue at the Ice Rinks increased due to a growth in group lessons and leased ice rentals, however, operating income declined due to unexpected repairs needed to maintain operations. The decrease in revenue in the Park Facilities is mainly due to limited programs, rentals and merchandise sales at Brookside Gardens during the parking lot construction and a new HVAC installation. This was mostly offset by savings in the cost of personnel and supplies and materials.

Comparative Prince George's County key data are as follows:

| Prince George's County Enterprise Fund Key Data (000's) For the Fiscal Years Ended June 30, 2015 and 2014 | | | | | | |
|--|--------------------|-----------------|-----------------|--|-------------------|-----------------|
| | Operating Revenues | | | Operating Income (Loss) Excluding Depreciation | | |
| | FY2015 | FY2014 | Change | FY2015 | FY2014 | Change |
| Airport | \$ 250 | \$ 204 | \$ 46 | \$ (140) | \$ (200) | \$ 60 |
| Equestrian Center/ShowplaceArena | 1,348 | 1,245 | 103 | (1,611) | (1,457) | (154) |
| Golf Courses | 2,207 | 2,190 | 17 | (1,397) | (1,006) | (391) |
| Ice Rinks | 512 | 501 | 11 | (817) | (838) | 21 |
| Tennis Bubbles/Administration | 296 | 355 | (59) | (850) | (1,133) | 283 |
| Trap and Skeet Center | 1,702 | 1,911 | (209) | 96 | 42 | 54 |
| Sports and Learning Complex | 3,105 | 3,249 | (144) | (4,392) | (3,806) | (586) |
| Bladensburg Marina | 116 | 124 | (8) | (251) | (260) | 9 |
| Total | <u>\$ 9,536</u> | <u>\$ 9,779</u> | <u>\$ (243)</u> | <u>\$ (9,362)</u> | <u>\$ (8,658)</u> | <u>\$ (704)</u> |

The Prince George's County Enterprise Fund revenues decreased by \$243,000 and the operating loss, excluding depreciation, increased by \$704,000. The Showplace Arena hosted more ticketed events in FY 2015 which led to an increase in revenue. This increase in events required an associated increase in personnel costs. The golf courses reduction in operating income is due to higher personnel services. The Cosca Tennis Bubble was closed for most of the fiscal year which caused a decline in both revenue and expenses. Sales were down at the Trap and Skeet Center. This loss of revenue was offset by a lower cost of goods sold. The Sports and Learning Complex decrease in operating income is mainly due to increased personnel and telecommunications costs. In addition, the fee structures at all facilities are designed for maximum participation with General Fund support.

General Fund Budgetary Highlights

The Commission's park, recreation, planning and general administrative functions are financed primarily by five legally designated property taxes that must be levied on a separate County basis. These functions are accounted for in accounts within the General Fund, each of which has its own budget, and is presented separately in the Notes to the Financial Statements.

A summary of the Montgomery County budget to actual variances follows:

| Montgomery County Budget to Actual Variances (000's) For the Year Ended June 30, 2015 | | |
|--|------------------------|-----------------|
| | Administration Account | Park Account |
| (Unfavorable) property tax collections | \$ (81.0) | \$ (331.3) |
| Favorable charges for services | 73.3 | 117.5 |
| (Unfavorable) intergovernmental revenue | (128.7) | (391.8) |
| Favorable (Unfavorable) investment revenue | 45.7 | (6.7) |
| Favorable other revenue | 6.6 | 117.6 |
| Total favorable/(unfavorable) revenue variance | <u>(84.1)</u> | <u>(494.7)</u> |
| Expenditure savings | 1,987.2 | 1,138.3 |
| Favorable other financing sources (uses) | - | 314.7 |
| Total favorable budgetary variance | <u>\$ 1,903.1</u> | <u>\$ 958.3</u> |

Property tax collections were less than budgeted due to a lower than projected actual assessable base. Charges for Services exceeded the budget for both the Administration and Park Funds. The Administration Fund had higher than anticipated Forest Conservation Fees and Pre-Application Submission Fees. The Park Fund had higher than anticipated Community Center Rentals. Intergovernmental Revenue was down in both the Administration and Park Funds due to fewer grants than anticipated. Investment Revenue fluctuates as the interest revenue is allocated based upon account balances. Other Revenues for both funds was up due to higher than anticipated miscellaneous revenue. Expenditure savings for both funds was primarily a result of delays in filling vacant positions.

The results summarized above, in conjunction with fund balances carried forward, resulted in ending fund balances for Montgomery County as indicated in the following table:

| Montgomery County Budgetary Fund Balances (000's) June 30, 2015 | | |
|--|---------------------------|-------------------|
| | Administration Account | Park Account |
| <u>Fund balance, budget basis</u> | | |
| Assigned | \$ 2,099.1 | \$ 559.5 |
| Unassigned | 3,136.6 | 6,243.0 |
| Total Budgetary Fund Balance | <u>\$ 5,235.7</u> | <u>\$ 6,802.5</u> |

A summary of the Prince George's County budget to actual variances follows:

| Prince George's County Budget to Actual Variances (000's) For the Year Ended June 30, 2015 | | | |
|---|---------------------------|-------------------|-----------------------|
| | Administration Account | Park Account | Recreation Account |
| Favorable (unfavorable) property tax collections | \$ 351.6 | \$ 976.0 | \$ 380.5 |
| Favorable (unfavorable) charges for services | (51.3) | 238.1 | 332.4 |
| Favorable (unfavorable) intergovernmental revenue | (88.3) | - | - |
| (Unfavorable) investment revenue | 80.6 | 238.4 | 58.5 |
| Favorable (unfavorable) other revenue | (1.0) | 50.5 | 106.2 |
| Total (unfavorable) revenue variance | 291.6 | 1,503.0 | 877.6 |
| Expenditure savings | 4,225.1 | 5,482.7 | 3,884.0 |
| Favorable other financing sources | - | 603.2 | - |
| Total favorable budgetary variance | <u>\$ 4,516.7</u> | <u>\$ 7,588.9</u> | <u>\$ 4,761.6</u> |

Property tax collections in the Administration, Park and Receptions Accounts were higher than budgeted due to higher than anticipated assessable base growth and prior year tax collections. Charges for services were down in the Administration Account as a result of lower than anticipated revenues generated from urban design site plan fees. Charges for Services increased in the Park Account primarily due to increased park permit rentals. Revenue in the Recreation Account is higher than budgeted due to increased Fees and Charges for Sports, Health and Wellness as well as increased collections from Rental Concessions. Intergovernmental Revenue decreased in the Administration Account due to lower than anticipated collections from commercial and residential building permits. The favorable variance in investment revenue in the Administration, Park and Recreation Accounts was due to higher than anticipated interest than budgeted. Other Revenue in the Park Account was higher than anticipated due to auction sales of older fleet. The Recreation Account had higher than anticipated Other Revenue from increased donations and contributions. The expenditure savings were primarily the result of vacant positions in all of the Accounts. Additional savings in the Administration Account are the result of savings from Countywide Planning and Information Technology consulting service contracts. Park Account savings were mainly the result of decreases in Construction and Material supplies, utility savings and savings from Professional and Contractual Service contracts. The Recreation Account also generated expenditure savings from deferred openings from CIP Projects for the Palmer Park Community Center and Westphalia Community Centers until FY2016. Savings were

also generated from decreased use of contracted print services in Public Affairs and Marketing. Other Financing Sources were favorable in the Park Account due to savings in Debt Service from deferring issuing new bonds budgeted in FY15 but the expenditures will not be incurred until FY16.

The results summarized above, in conjunction with fund balances carried forward, resulted in ending fund balances for Prince George's County as indicated in the following table:

| Prince George's County Budgetary Fund Balances (000's) | | | |
|--|---------------------------|--------------------|-----------------------|
| June 30, 2015 | | | |
| | Administration Account | Park Account | Recreation Account |
| <u>Fund balance, budget basis</u> | | | |
| Assigned | \$ 3,786.4 | \$ - | \$ 3,651.3 |
| Unassigned | 16,567.3 | 98,066.2 | 17,056.4 |
| Total Budgetary Fund Balance | <u>\$ 20,353.7</u> | <u>\$ 98,066.2</u> | <u>\$ 20,707.7</u> |

Capital Asset and Debt Administration

Capital assets. The Commission's investment in capital assets for its governmental and business-type activities as of June 30, 2015 amounts to \$ 887.9 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery, equipment and intangibles, park facilities, and roads. The total increase in the Commission's investment in capital assets for the current fiscal year was 6.5% (a 7.4% increase for governmental activities and a 4.2% decrease for business-type activities). The most significant increase is \$41.8 million for construction in progress for the governmental activities. The only significant capital asset changes in business-type activities consisted of depreciation of existing assets.

Proceeds of general obligation park acquisition and development bonds are accounted for in Capital Projects Funds until the projects are completed. Completed projects and construction in progress at year-end are shown as capital assets in the Government-wide Statement of Net Position. During fiscal year 2015 projects totaling \$14.0 million were completed.

Expenditures on Montgomery County projects totaled \$23.4 million in fiscal year 2015, of which \$.4 million was for land acquisition and \$23.0 million was for development. The land purchases represented the acquisition of about 1.06 acres of land. Major Park Development expenditures included \$2.5 million for Brookside Master Plan Improvements, \$1.9 million for Greenbriar Local Park, \$1.9 million for Germantown Town Center Urban Park, \$1.5 million for Woodlawn Barn Visitors Center, and \$1.5 million for North Four Corners Local Park. In addition, \$2.1 million was expended for play equipment and minor park renovations.

Prince George's County projects totaled \$41.6 million in fiscal year 2015, of which \$3.7 million was for land acquisition and \$37.9 million was for development. Land Acquisition included \$3.6 million Regional Park Acquisitions. Major Park Development expenditures include Improvements for Infrastructure with construction costs to date of \$7.8 million of which \$3.2 million was in fiscal year 2015, College Park Airport with construction costs to date of \$3.2 million of which \$2.6 million was in fiscal year 2015, Kentland Community Center with construction costs to date of \$4.3 million, of which \$3.3 million was in fiscal year 2015, Park Police Headquarters with construction costs to date of \$7.9 million, of which \$3.2 million was in fiscal year 2015, Palmer Park Community Center with construction costs to date of \$6.3 million of which \$3.6 million was in fiscal year 2015, Watkins Regional Park with construction costs to date of \$6.1 million of which \$2.5 million was in fiscal year 2015, Wells-Linson Complex with construction costs to date of \$5.2 million of which \$1.0 million was in fiscal year 2015, Westphalia Neighborhood Park with construction costs to date of \$2.0 million of which \$1.5 million was in fiscal year 2015, William Beanes Community Center with construction costs to date of \$2.5 million of which \$1.8 million was in fiscal year 2015 and The Southern Regional Technology Recreation Complex with construction costs to date of \$17.4 million of which \$1.2 million was in fiscal year 2015. In addition, expenditures totaling \$1.8 million was spent for Play equipment replacement.

Commission's Capital Assets

Commission's Capital Assets (net of depreciation) (\$000's) June 30, 2015 and 2014

| | June 30, 2015 | | | June 30, 2014 | | | Percent Change Total |
|---------------------------------|----------------------------|---------------------------------|------------|----------------------------|---------------------------------|------------|----------------------------|
| | Governmental Activities | Business- type Activities | Total | Governmental Activities | Business- type Activities | Total | |
| Land | \$ 369,637 | \$ 19,364 | \$ 389,001 | \$ 354,989 | \$ 19,364 | \$ 374,353 | 3.9% |
| Buildings and improvements | 65,962 | 39,986 | 105,948 | 70,488 | 43,184 | 113,672 | -6.8% |
| Infrastructure | 106,189 | 19 | 106,208 | 104,715 | - | 104,715 | 1.4% |
| Machinery, equip. & intangibles | 29,611 | 2,062 | 31,673 | 26,276 | 2,231 | 28,507 | 11.1% |
| Construction in progress | 254,197 | 884 | 255,081 | 212,416 | 247 | 212,663 | 19.9% |
| Total | \$ 825,596 | \$ 62,315 | \$ 887,911 | \$ 768,884 | \$ 65,026 | \$ 833,910 | 6.5% |

Additional information on the Commission's capital assets can be found in Note 4B of the Notes to Financial Statements in this report.

Long-term debt. Debt Service Funds are used to account for the payments on the Commission's general obligation debt, which includes Park Acquisition and Development Bonds (Park Bonds) and Advance Land Acquisition Bonds (ALA Bonds). The outstanding issues totaling \$98.9 million and the related debt service requirements to maturity are set forth in Note 4E of the Notes to the Financial Statements.

The Commission's general obligation bonds are unconditionally guaranteed by the Commission and the county for which issued. Debt service principal and interest expenditures for Park Bonds and ALA Bonds totaled \$15.7 million (Montgomery - \$5 million; Prince George's - \$10.7 million) for the fiscal year. Of the outstanding debt, Park Bonds totaled \$97.6 million (Montgomery County - \$40.1 million and Prince George's County - \$57.5 million) at June 30, 2015. Park Bonds debt service expenditures totaled \$15.5 million (Montgomery - \$4.8 million, Prince George's - \$10.7 million) for the fiscal year. The Commission's Metropolitan District (Park) tax includes a mandatory tax for debt service for Park Bonds of 3.6 cents per \$100 of assessed valuation for real property (9 cents for personal property) in Montgomery County and 4 cents per \$100 of assessed valuation for real property (10 cents for personal property) in Prince George's County. Debt service payments approximated 0.32 cents per \$100 of assessed valuation for real property and .08 cents per \$100 of assessed valuation for personal property for Montgomery County and 1.42 cents per \$100 of assessed valuation for real property and 3.55 cents per \$100 of assessed valuation for personal property for Prince George's County. The remainder of the proceeds of the mandatory taxes was used for park operation and maintenance expenditures in the respective counties.

The Commission's outstanding general obligation bonds have the following ratings:

| Commission General Obligation Bond Ratings June 30, 2015 | | | |
|---|--------------------------------------|--------------------------------------|---------------|
| | Moody's Investor Services Inc. | Standard & Poor's Rating Services | Fitch Ratings |
| Montgomery County | Aaa | AAA | AAA |
| Prince George's County | Aaa | AAA | AAA |

Details of the Commission's outstanding debt (net of unamortized discounts and premiums) at June 30, 2015 follow (\$000's):

**Commission's Outstanding Debt
General Obligation and Revenue Bonds and Notes**

| Commission's Outstanding Debt June 30, 2015 and 2014 | | | | | |
|---|-------------------------|------------|------------|------------|--------|
| | Governmental Activities | | Total | | Change |
| | 2015 | 2014 | 2015 | 2014 | |
| General obligation bonds | \$ 101,524 | \$ 113,326 | \$ 101,524 | \$ 113,326 | -10.4% |
| Total | \$ 101,524 | \$ 113,326 | \$ 101,524 | \$ 113,326 | -10.4% |

| Montgomery County Outstanding Debt June 30, 2015 and 2014 | | | | | |
|--|-------------------------|-----------|-----------|-----------|--------|
| | Governmental Activities | | Total | | Change |
| | 2015 | 2014 | 2015 | 2014 | |
| General obligation bonds | \$ 42,664 | \$ 46,046 | \$ 42,664 | \$ 46,046 | -7.3% |
| Total | \$ 42,664 | \$ 46,046 | \$ 42,664 | \$ 46,046 | -7.3% |

| Prince George's County Outstanding Debt June 30, 2015 and 2014 | | | | | |
|---|-------------------------|-----------|-----------|-----------|--------|
| | Governmental Activities | | Total | | Change |
| | 2015 | 2014 | 2015 | 2014 | |
| General obligation bonds | \$ 58,860 | \$ 67,280 | \$ 58,860 | \$ 67,280 | -12.5% |
| Total | \$ 58,860 | \$ 67,280 | \$ 58,860 | \$ 67,280 | -12.5% |

The Commission's bonds and notes payable decreased by \$11.9 million due to scheduled principal payments.

State statutes limit the amount of general obligation debt the Commission may issue to the amount that can be redeemed within 30 years from date of issue by the taxes authorized for payment of the bonds. The legal debt margin for the Commission is \$1,566.6 million of debt service for Montgomery County and \$835.5million of debt service for Prince George's County, which is in excess of the Commission's required debt service of \$51.6 million and \$72.4 million, respectively, over the 30 year period.

Additional information on the Commission's long-term debt can be found in Note 4E of the Notes to the Financial Statements.

Economic Factors and Next Year's Budgets and Rates

The Commission continues to maintain a solid financial position and stable future outlook supported by the stability of its major revenue source, property taxes which represented 85% of the Governmental Funds revenues in FY 2015. Strong fiscal policies including fund balance reserves, interim financial reporting to monitor revenues and expenditures, and long-term fiscal plans enabled the Commission to respond to the strategies incorporated by the two County Governments in setting the FY 2016 tax rates and adopting the FY 2016 Budget.

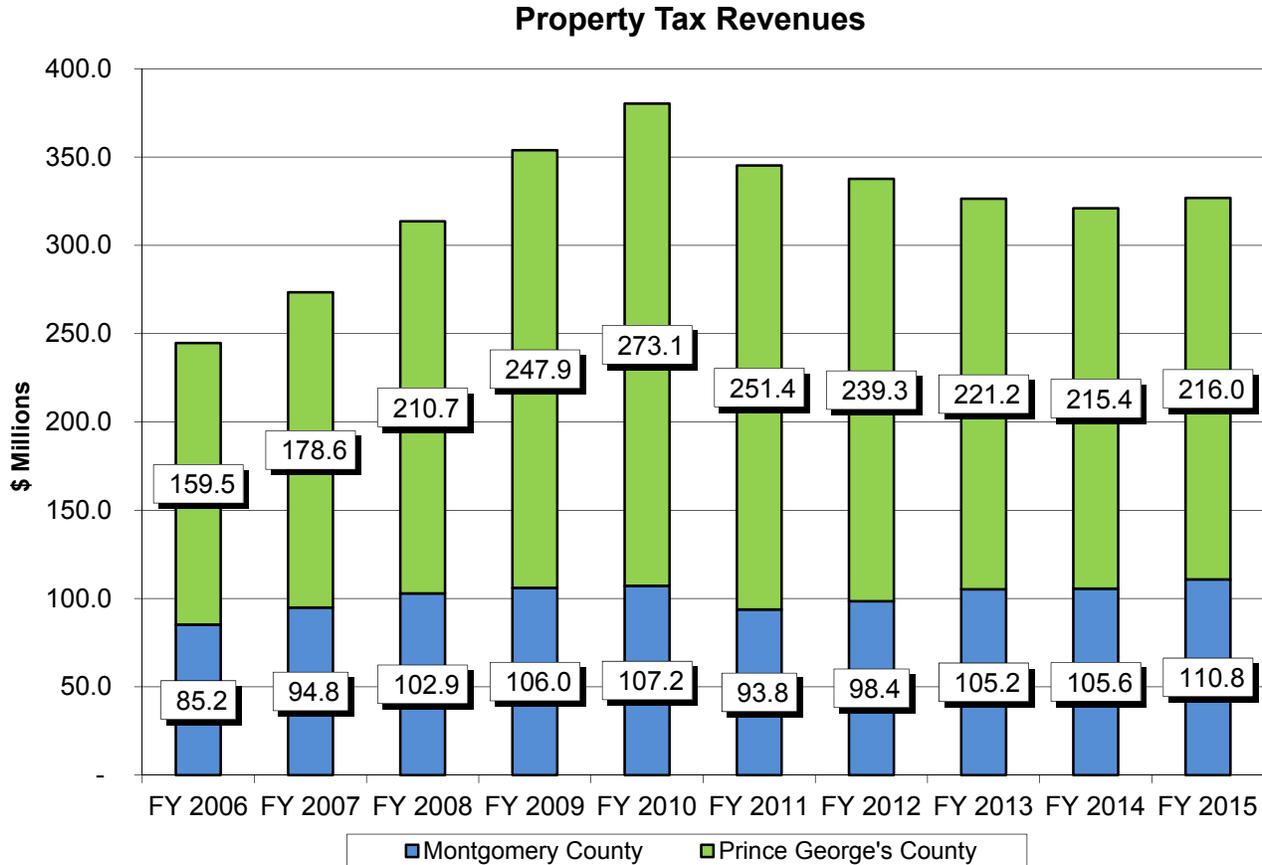
The Commission's property tax rates in the two counties are set based on different fiscal strategies. In Montgomery County, the Commission's property tax rates are set in conjunction with the Montgomery County Government property tax rates. In FY 2016 the Commission's total Montgomery County real property tax rate was increased by 0.02 cents and the personal property tax rate was increased by 0.05 cents and the taxable real property assessable base is projected to increase by 2.83%. Commission property tax revenue is budgeted to increase by 3.64% and budgeted expenditures are budgeted to increase 2.26% in the tax supported funds.

In Prince George's County, real property tax rates for the Commission was increased by \$.015 and the personal property tax rate was increased by \$.0375 In FY 2016 the real property assessable base is projected to increase by .30%. With the strong assessable base growth in prior years, property tax revenues increased at a greater rate than expenditures, enabling the Commission to budget a large amount of current revenue to fund the capital improvement program keeping debt levels relatively low and providing capacity to assist the Prince George's County Government in funding programs they deliver to the community which are eligible to be funded by Commission property tax revenues. These expenditures are referred to as project charges. These project charges

have been decreasing due to a declining assessable base in the county even though overall tax rates for the Commission have been held constant. The project charges decreased slightly from \$14.9 million in FY 2014 to \$14.6 million in FY 2015 and for FY 2016, they are budgeted at \$14.5 million.

One-third of the property in the state of Maryland is inspected and revalued by the State Department of Assessments and Taxation each year so that all real property is inspected and revalued once every three years. The three-year cycle results in a smoothing effect on property tax revenues. In times of slowing or decreasing growth, the assessable base declines at a slower rate which affords the Commission time to adjust its service delivery and spending levels in response to what is economically affordable. When the economy is recovering, the assessments growth rate will lag somewhat.

Property tax revenues over the past 10 years are displayed in the chart below.



At year-end, the Commission had a budget basis fund unreserved balance in the General Fund of \$151.2 million. Of this amount, \$10.1 million is assigned fund balance and \$141.1 million is unassigned as of June 30, 2015. Of the unassigned portion, \$131.7 million is from Prince George's County operations and will be utilized in future years to build out an aggressive capital improvement program and maintain a stable tax rate in accordance with its long-term fiscal plan.

The Commission's Montgomery County activities are subject to spending affordability guidelines of Montgomery County Government. In Prince George's County, a Spending Affordability Committee makes recommendations during the budgetary process to the County Executive and the County Council concerning spending affordability of the Commission's Prince George's County operations.

The spending affordability processes along with close monitoring of financial results and projections during the fiscal year add to the solid foundation of financial management and assist the Commission in meeting the challenge of providing enhanced public services at an economical cost.

Requests for Information

The financial report is designed to provide a general overview of the Commission's finances for all those with an interest in the Commission's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Department of Finance, Office of Secretary-Treasurer, The Maryland-National Capital Park and Planning Commission, 6611 Kenilworth Avenue, Riverdale, Maryland 20737. This report can also be found on the Commissions website, <http://www.mncppc.org> (See Budget/CAFR).

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Exhibit 1

**Statement of Net Position
June 30, 2015**

| | Primary Government | | | Component Unit |
|--|-------------------------|--------------------------|-----------------------|---------------------|
| | Governmental Activities | Business-type Activities | Total | Total |
| ASSETS | | | | |
| Equity in Pooled Cash and Investments | \$ 351,486,439 | \$ 12,939,264 | \$ 364,425,703 | \$ 932,048 |
| Receivables - Taxes, net of allowance for uncollectibles | 2,814,789 | - | 2,814,789 | - |
| Receivables - Other | 1,509,095 | 2,629 | 1,511,724 | 911,070 |
| Due from Other Funds | 28 | - | 28 | - |
| Due from County Governments | 15,000,731 | 9,440 | 15,010,171 | - |
| Due from Other Governments | 10,356,025 | - | 10,356,025 | - |
| Inventories | 441,934 | 913,137 | 1,355,071 | - |
| Deposits and Other | 2,366,272 | - | 2,366,272 | 953 |
| Restricted Cash, Cash Equivalents and Investments: | | | | |
| Unspent Debt Proceeds | 10,792,566 | - | 10,792,566 | - |
| Investments | - | - | - | 145,047 |
| Capital Assets: | | | | |
| Land and Construction in Progress | 623,833,856 | 20,248,057 | 644,081,913 | - |
| Other Capital Assets, Net of Accumulated Depreciation | 201,761,936 | 42,067,403 | 243,829,339 | 509 |
| Total Assets | <u>1,220,363,671</u> | <u>76,179,930</u> | <u>1,296,543,601</u> | <u>1,989,627</u> |
| DEFERRED OUTFLOW OF RESOURCES | | | | |
| Changes in pension plan assumptions | 7,563,314 | 277,565 | 7,840,879 | - |
| Difference between projected and actual earnings on pension plan investments | 42,806,328 | 1,570,956 | 44,377,284 | - |
| Difference between expected and actual experience | 505,016 | 18,533 | 523,549 | - |
| Total Deferred Outflows of Resources | <u>50,874,658</u> | <u>1,867,054</u> | <u>52,741,712</u> | <u>-</u> |
| LIABILITIES | | | | |
| Accounts Payable and Other Current Liabilities | 37,616,400 | 1,623,426 | 39,239,826 | 47,189 |
| Accrued Interest Payable | 614,333 | - | 614,333 | - |
| Due to Other Governments | 90 | - | 90 | - |
| Deposits and Fees Collected in-Advance | 9,375,783 | 1,049,434 | 10,425,217 | - |
| Claims Payable: | | | | |
| Due within One Year | 5,487,838 | - | 5,487,838 | - |
| Due in more than One Year | 11,582,599 | - | 11,582,599 | - |
| Compensated Absences: | | | | |
| Due within One Year | 11,458,071 | 430,471 | 11,888,542 | - |
| Due in more than One Year | 8,758,057 | 523,959 | 9,282,016 | - |
| Bonds and Notes Payable: | | | | |
| Due within One Year | 10,433,171 | - | 10,433,171 | - |
| Due in more than One Year | 91,091,208 | - | 91,091,208 | - |
| Net Other Post Employment Benefit Obligations | | | | |
| Due in more than One Year | 69,600,730 | 3,127,217 | 72,727,947 | - |
| Net Pension Liability | | | | |
| Due in more than One Year | 127,782,615 | 4,673,332 | 132,455,947 | - |
| Total Liabilities | <u>383,800,895</u> | <u>11,427,839</u> | <u>395,228,734</u> | <u>47,189</u> |
| DEFERRED INFLOW OF RESOURCES | | | | |
| Property Taxes Collected in-advance | 14,300 | - | 14,300 | - |
| Total Deferred Inflow of Resources | <u>14,300</u> | <u>-</u> | <u>14,300</u> | <u>-</u> |
| NET POSITION | | | | |
| Net Investment in Capital Assets | 736,481,893 | 62,315,460 | 798,797,353 | - |
| Restricted for Debt Service | - | - | - | - |
| Temporarily Restricted | - | - | - | 1,702,220 |
| Unrestricted | 150,941,241 | 4,303,685 | 155,244,926 | 240,218 |
| Total Net Position | <u>\$ 887,423,134</u> | <u>\$ 66,619,145</u> | <u>\$ 954,042,279</u> | <u>\$ 1,942,438</u> |

The notes to the financial statements are an integral part of this statement.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Exhibit 2

Statement of Activities
For the Year Ended June 30, 2015

| Functions/Programs | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | | Component Unit |
|---------------------------------------|------------------|----------------------|------------------------------------|---|-------------------------|---|------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Primary Government Business-type Activities | |
| Primary Government: | | | | | | | |
| Governmental Activities: | | | | | | | |
| General Government | \$ 21,133,262 | \$ - | \$ - | \$ - | \$ (21,133,262) | \$ - | \$ (21,133,262) |
| County Planning and Zoning | 49,147,835 | 4,031,622 | 978,321 | - | (44,137,892) | - | (44,137,892) |
| Park Operations and Maintenance | 227,849,560 | 7,670,790 | 4,078,663 | 39,512,128 | (176,587,979) | - | (176,587,979) |
| Recreation Programs | 65,247,292 | 14,259,526 | 334,753 | - | (50,653,013) | - | (50,653,013) |
| Interest on Long-term Debt | 3,899,873 | - | - | - | (3,899,873) | - | (3,899,873) |
| Total Governmental Activities | 367,277,822 | 25,961,938 | 5,391,737 | 39,512,128 | (296,412,019) | - | (296,412,019) |
| Business-type Activities: | | | | | | | |
| Recreational and Cultural Facilities | 30,963,611 | 19,404,116 | - | - | (11,559,495) | - | (11,559,495) |
| Total Business-type Activities | 30,963,611 | 19,404,116 | - | - | (11,559,495) | - | (11,559,495) |
| Total Primary Government | \$ 398,241,433 | \$ 45,366,054 | \$ 5,391,737 | \$ 39,512,128 | \$ (296,412,019) | \$ (11,559,495) | \$ (307,971,514) |
| Component Unit: | | | | | | | |
| Park Operations and Maintenance | \$ 606,070 | \$ 8,874 | \$ 1,878,217 | \$ - | \$ - | \$ - | \$ 1,281,021 |
| General Revenues: | | | | | | | |
| Property Taxes | | | | | 326,435,823 | | 326,435,823 |
| Unrestricted Investment Earnings | | | | | 1,186,162 | | 1,186,162 |
| Transfers | | | | | (9,725,804) | | (9,725,804) |
| Net General Revenues and Transfers | | | | | 317,896,201 | | 317,896,201 |
| Change in Net Position | | | | | 21,484,182 | | 21,484,182 |
| Net Position - Beginning, as restated | | | | | 865,938,952 | | 865,938,952 |
| Net Position - Ending | | | | | 887,423,134 | | 887,423,134 |

The notes to the financial statements are an integral part of this statement.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Exhibit 3

Balance Sheet
Governmental Funds
June 30, 2015

| | General | Montgomery County Capital Projects | Prince George's County Capital Projects | Other Governmental Funds | Total Governmental Funds |
|--|-----------------------|---|--|--------------------------------|--------------------------------|
| ASSETS | | | | | |
| Equity in Pooled Cash and Investments | \$ 206,881,785 | \$ - | \$ 70,821,786 | \$ 15,125,114 | \$ 292,828,685 |
| Receivables - Taxes (net of allowance for uncollectibles) | 2,791,770 | - | - | 23,019 | 2,814,789 |
| Receivables - Other (net of allowance for uncollectibles) | 326,560 | - | - | - | 326,560 |
| Due from Other Funds | 10,808,349 | - | - | - | 10,808,349 |
| Due from County Governments | 270,828 | 14,229,833 | - | 70 | 14,500,731 |
| Due from Other Governments | 49,438 | 6,327,139 | 3,923,886 | 55,562 | 10,356,025 |
| Inventories | - | - | - | 441,934 | 441,934 |
| Restricted Cash - Unspent Debt Proceeds | - | 1,553,804 | 9,238,762 | - | 10,792,566 |
| Other | 40,430 | - | 106,568 | - | 146,998 |
| Total Assets | \$ 221,169,160 | \$ 22,110,776 | \$ 84,091,002 | \$ 15,645,699 | \$ 343,016,637 |
| LIABILITIES | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | \$ 9,706,089 | \$ 4,850,055 | \$ 5,486,138 | \$ 436,221 | \$ 20,478,503 |
| Accrued Liabilities | 12,377,939 | - | - | 347,897 | 12,725,836 |
| Retainage Payable | - | 1,272,657 | 1,864,487 | - | 3,137,144 |
| Due to Other Funds | - | 10,808,321 | - | - | 10,808,321 |
| Due to County Governments | 60 | - | - | 30 | 90 |
| Deposits and Fees Collected in-Advance | 7,967,373 | 900,000 | 151,937 | 239,836 | 9,259,146 |
| Total Liabilities | 30,051,461 | 17,831,033 | 7,502,562 | 1,023,984 | 56,409,040 |
| DEFERRED INFLOW OF RESOURCES | | | | | |
| Property Taxes Collected in-advance | 1,856,997 | - | - | 14,300 | 1,871,297 |
| Total Deferred Inflow of Resources | 1,856,997 | - | - | 14,300 | 1,871,297 |
| Fund Balance: | | | | | |
| Nonspendable to: | | | | | |
| Recreation | - | - | - | 441,934 | 441,934 |
| Restricted for: | | | | | |
| Parks | - | 1,553,804 | 9,238,762 | 9,166 | 10,801,732 |
| Committed to: | | | | | |
| Planning | 19,176,890 | - | - | 148,807 | 19,325,697 |
| Parks | 12,876,984 | 31,466,973 | 40,048,679 | 845,814 | 85,238,450 |
| Recreation | 6,041,010 | - | - | 566,753 | 6,607,763 |
| Assigned to: | | | | | |
| Planning | 5,885,491 | - | - | 4,791,223 | 10,676,714 |
| Parks | 559,451 | - | 27,300,999 | 2,107,655 | 29,968,105 |
| Recreation | 3,651,294 | - | - | 5,696,063 | 9,347,357 |
| Unassigned: | | | | | |
| | 141,069,582 | (28,741,034) | - | - | 112,328,548 |
| Total Fund Balances | 189,260,702 | 4,279,743 | 76,588,440 | 14,607,415 | 284,736,300 |
| Total Liabilities, Deferred Inflow of Resources and Fund Balances | \$ 221,169,160 | \$ 22,110,776 | \$ 84,091,002 | \$ 15,645,699 | |

Amounts reported for governmental activities in the statement of net position are different because:

| | |
|--|-----------------------|
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 813,987,875 |
| Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. | 50,874,658 |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. | 1,617,914 |
| Internal service funds are used by management to charge the costs of capital equipment financing, risk management, group insurance and the Executive Office Building. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. | 51,381,777 |
| Some of the Commission's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds. | 1,856,997 |
| Long-term liabilities, including bonds payable, net pension liability and net other post employment benefits obligations are not due and payable in the current period and therefore are not reported in the funds. | (317,032,387) |
| Net Position of Governmental Activities | \$ 887,423,134 |

The notes to the financial statements are an integral part of this statement.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Exhibit 4

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

| | General | Montgomery County Capital Projects | Prince George's County Capital Projects | Other Governmental Funds | Total Governmental Funds |
|---|-----------------------|---|--|--------------------------------|--------------------------------|
| REVENUES | | | | | |
| Property Taxes | \$ 325,041,708 | \$ - | \$ - | \$ 1,739,197 | \$ 326,780,905 |
| Intergovernmental - | | | | | |
| Federal | 127,428 | - | 143,920 | - | 271,348 |
| State | 269,056 | 6,127,620 | 4,926,998 | 2,826 | 11,326,500 |
| County | 3,019,732 | 13,103,648 | - | 1,543,745 | 17,667,125 |
| Charges for Services | 9,706,144 | - | - | 4,079,511 | 13,785,655 |
| Rentals and Concessions | 5,459,796 | - | - | 5,658,781 | 11,118,577 |
| Interest | 753,165 | 27,383 | 158,518 | 46,329 | 985,395 |
| Contributions | - | 21,500 | 541,108 | 428,950 | 991,558 |
| Miscellaneous | 701,224 | 1,122 | 206,680 | 148,680 | 1,057,706 |
| Total Revenues | <u>345,078,253</u> | <u>19,281,273</u> | <u>5,977,224</u> | <u>13,648,019</u> | <u>383,984,769</u> |
| EXPENDITURES | | | | | |
| Current - | | | | | |
| General Government | 20,703,590 | - | - | - | 20,703,590 |
| Planning and Zoning | 45,208,323 | - | - | 3,157,931 | 48,366,254 |
| Park Operations and Maintenance | 199,055,113 | - | - | 2,146,819 | 201,201,932 |
| Recreation | 59,172,074 | - | - | 5,630,489 | 64,802,563 |
| Contributions | - | - | - | 1,465,716 | 1,465,716 |
| Debt Service - | | | | | |
| Principal | - | - | - | 12,094,850 | 12,094,850 |
| Interest | - | - | - | 3,687,985 | 3,687,985 |
| Other Debt Service Costs | - | - | - | 30,197 | 30,197 |
| Capital Outlay - | | | | | |
| Park Acquisition | - | 399,141 | 3,718,374 | - | 4,117,515 |
| Park Development | - | 23,046,082 | 37,942,868 | - | 60,988,950 |
| Total Expenditures | <u>324,139,100</u> | <u>23,445,223</u> | <u>41,661,242</u> | <u>28,213,987</u> | <u>417,459,552</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>20,939,153</u> | <u>(4,163,950)</u> | <u>(35,684,018)</u> | <u>(14,565,968)</u> | <u>(33,474,783)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers In | 1,285,901 | 350,000 | 16,185,000 | 15,585,115 | 33,406,016 |
| Transfers Out | (42,915,919) | (27,383) | (158,518) | (30,000) | (43,131,820) |
| Total Other Financing Sources (Uses) | <u>(41,630,018)</u> | <u>322,617</u> | <u>16,026,482</u> | <u>15,555,115</u> | <u>(9,725,804)</u> |
| Net Change in Fund Balances | (20,690,865) | (3,841,333) | (19,657,536) | 989,147 | (43,200,587) |
| Fund Balances - Beginning | 209,951,567 | 8,121,076 | 96,245,976 | 13,618,268 | 327,936,887 |
| Fund Balances - Ending | <u>\$ 189,260,702</u> | <u>\$ 4,279,743</u> | <u>\$ 76,588,440</u> | <u>\$ 14,607,415</u> | <u>\$ 284,736,300</u> |

The notes to the financial statements are an integral part of this statement.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Exhibit 5

**Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2015**

Amounts reported for governmental activities in the Statement of Activities (Exhibit 2) are different because:

Net change in fund balances -- total governmental funds (Exhibit 4) \$ (43,200,587)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capitalized expenditures exceeded depreciation in the current period.

| | | |
|--------------------------|---------------------|------------|
| Capitalized Expenditures | 61,172,132 | |
| Depreciation Expense | <u>(14,840,287)</u> | |
| Net adjustment | | 46,331,845 |

In the Statement of Activities, donated land activity that has no impact on financial resources is also included in the Statement of Activities.

| | | |
|----------------|------------------|-----------|
| Donations | <u>8,688,900</u> | |
| Net adjustment | | 8,688,900 |

Tax revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the amount by which the deferred revenues changed from last fiscal year.

(345,082)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

| | | |
|-------------------------|-------------------|------------|
| Repayments of Principal | <u>12,047,600</u> | |
| Net adjustment | | 12,047,600 |

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. This amount is the unfunded cost of other post employment benefits, pension liability, compensated absences and other expenses.

(9,077,883)

Accrued interest expense reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds. The amount is the impact of the net change in the liabilities from the prior year.

(184,570)

Internal service funds are used by management to charge the costs of capital equipment financings, employee benefits, risk management and Executive Office Building costs, to individual funds. The change in net position of certain activities of internal service funds is reported with governmental activities.

| | | |
|---|----------------------|--|
| Change in net position of governmental activities (Exhibit 2) | <u>7,223,959</u> | |
| | <u>\$ 21,484,182</u> | |

The notes to the financial statements are an integral part of this statement.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Exhibit 6

**Statement of Revenues, Expenditures/Encumbrances, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual - General Fund
For the Year Ended June 30, 2015**

| | Budgeted Amounts | | | Variance Positive (Negative) |
|--|------------------------|------------------------|-----------------------|------------------------------------|
| | Original | Final | Actual | |
| Revenues: | | | | |
| Property Taxes | \$ 323,745,865 | \$ 323,745,865 | \$ 325,041,708 | \$ 1,295,843 |
| Intergovernmental | 3,621,555 | 4,025,070 | 3,416,216 | (608,854) |
| Charges for Services | 9,610,930 | 9,615,930 | 9,706,144 | 90,214 |
| Rentals and Concessions | 4,839,950 | 4,839,950 | 5,459,796 | 619,846 |
| Interest | 336,770 | 336,770 | 753,165 | 416,395 |
| Miscellaneous | 421,300 | 421,300 | 701,224 | 279,924 |
| Total Revenues | 342,576,370 | 342,984,885 | 345,078,253 | 2,093,368 |
| Expenditures/Encumbrances: | | | | |
| Current - | | | | |
| General Government | 19,832,376 | 19,832,376 | 19,156,335 | 676,041 |
| County Planning and Zoning | 58,401,175 | 58,482,866 | 52,946,587 | 5,536,279 |
| Park Operation and Maintenance | 202,075,548 | 202,121,285 | 195,500,287 | 6,620,998 |
| Recreation Programs | 63,611,639 | 63,988,036 | 60,104,002 | 3,884,034 |
| Total Expenditures/Encumbrances | 343,920,738 | 344,424,563 | 327,707,211 | 16,717,352 |
| Excess of Revenues over Expenditures/Encumbrances | (1,344,368) | (1,439,678) | 17,371,042 | 18,810,720 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 1,297,700 | 1,297,700 | 1,285,901 | (11,799) |
| Transfers Out | (43,845,542) | (43,845,542) | (42,915,919) | 929,623 |
| Total Other Financing Sources (Uses) | (42,547,842) | (42,547,842) | (41,630,018) | 917,824 |
| Excess of Revenues and Other Financing Sources over Expenditures/Encumbrances and Other Financing Uses - Budget Basis | \$ (43,892,210) | \$ (43,987,520) | (24,258,976) | \$ 19,728,544 |
| Fund Balances - Budget Basis, Beginning | | | 175,424,794 | |
| Fund Balances - Budget Basis, Ending | | | \$ 151,165,818 | |

The notes to the financial statements are an integral part of this statement.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Exhibit 7

**Statement of Net Position
Proprietary Funds
June 30, 2015**

| | Business-type Activities - Enterprise Funds | | | Governmental |
|--|---|----------------------|----------------------|----------------------|
| | Recreational and Cultural Activities | | | Activities- |
| | Montgomery | Prince George's | Totals | Internal |
| | County | County | | Service |
| | | | Funds | |
| ASSETS | | | | |
| Current Assets: | | | | |
| Equity in Pooled Cash and Investments | \$ 7,705,866 | \$ 5,233,398 | \$ 12,939,264 | \$ 57,409,079 |
| Restricted Cash, Cash Equivalents and Investments: | | | | |
| Accounts Receivable | 1,270 | 1,359 | 2,629 | 1,182,535 |
| Due from County Government | - | 9,440 | 9,440 | 500,000 |
| Deposits and Other | - | - | - | 601,360 |
| Inventories | 158,889 | 754,248 | 913,137 | - |
| Total Current Assets | <u>7,866,025</u> | <u>5,998,445</u> | <u>13,864,470</u> | <u>59,692,974</u> |
| Noncurrent Assets: | | | | |
| Capital Assets: | | | | |
| Land | 11,584,468 | 7,779,131 | 19,363,599 | 748,497 |
| Buildings and Improvements | 27,181,703 | 72,348,323 | 99,530,026 | 3,286,613 |
| Machinery, Equipment and Intangibles | 2,472,401 | 4,954,034 | 7,426,435 | 35,539,511 |
| Construction in Progress | 884,458 | - | 884,458 | - |
| | <u>42,123,030</u> | <u>85,081,488</u> | <u>127,204,518</u> | <u>39,574,621</u> |
| Less - Accumulated Depreciation | <u>(22,696,100)</u> | <u>(42,192,958)</u> | <u>(64,889,058)</u> | <u>(27,966,704)</u> |
| Total Capital Assets, Net of Depreciation | <u>19,426,930</u> | <u>42,888,530</u> | <u>62,315,460</u> | <u>11,607,917</u> |
| Total Noncurrent Assets | <u>19,426,930</u> | <u>42,888,530</u> | <u>62,315,460</u> | <u>11,607,917</u> |
| Total Assets | <u>27,292,955</u> | <u>48,886,975</u> | <u>76,179,930</u> | <u>71,300,891</u> |
| DEFERRED OUTFLOW OF RESOURCES | | | | |
| Changes in pension plan assumptions | 88,602 | 188,963 | 277,565 | 54,102 |
| Difference between projected and actual earnings on pension plan investments | 501,462 | 1,069,494 | 1,570,956 | 306,203 |
| Difference between expected and actual experience | 5,916 | 12,617 | 18,533 | 3,612 |
| Total Deferred Outflows of Resources | <u>595,980</u> | <u>1,271,074</u> | <u>1,867,054</u> | <u>363,917</u> |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Accounts Payable | 242,384 | 431,502 | 673,886 | 1,232,717 |
| Claims Payable | - | - | - | 5,487,838 |
| Accrued Salaries and Benefits | 329,592 | 619,948 | 949,540 | 42,200 |
| Compensated Absences | 156,353 | 274,118 | 430,471 | 68,272 |
| Revenue Collected in Advance | 896,349 | 153,085 | 1,049,434 | 116,637 |
| Total Current Liabilities | <u>1,624,678</u> | <u>1,478,653</u> | <u>3,103,331</u> | <u>6,947,664</u> |
| Noncurrent Liabilities: | | | | |
| Claims Payable | - | - | - | 11,582,599 |
| Compensated Absences | 133,306 | 390,653 | 523,959 | 48,390 |
| Net Other Post Employment Benefit Obligations | 661,017 | 2,466,200 | 3,127,217 | 507,051 |
| Net Pension Liability | 1,464,243 | 3,209,089 | 4,673,332 | 833,410 |
| Total Noncurrent Liabilities | <u>2,258,566</u> | <u>6,065,942</u> | <u>8,324,508</u> | <u>12,971,450</u> |
| Total Liabilities | <u>3,883,244</u> | <u>7,544,595</u> | <u>11,427,839</u> | <u>19,919,114</u> |
| NET POSITION | | | | |
| Net Investment in Capital Assets | 19,426,930 | 42,888,530 | 62,315,460 | 11,607,917 |
| Unrestricted | 4,578,761 | (275,076) | 4,303,685 | 40,137,777 |
| Total Net Position | <u>\$ 24,005,691</u> | <u>\$ 42,613,454</u> | <u>\$ 66,619,145</u> | <u>\$ 51,745,694</u> |

The notes to the financial statements are an integral part of this statement.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Exhibit 8

**Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2015**

| | Business-type Activities - Enterprise Funds | | | Governmental Activities- Internal Service Funds |
|--|---|---------------------------|----------------------|---|
| | Recreational and Cultural Activities | | | |
| | Montgomery County | Prince George's County | Totals | |
| Operating Revenues: | | | | |
| Sales | \$ 567,467 | \$ 2,133,192 | \$ 2,700,659 | \$ - |
| Charges for Services | 6,039,974 | 4,455,258 | 10,495,232 | 51,808,917 |
| Claim Recoveries | - | - | - | 754,429 |
| Rentals and Concessions | 3,260,550 | 2,947,675 | 6,208,225 | - |
| Total Operating Revenues | <u>9,867,991</u> | <u>9,536,125</u> | <u>19,404,116</u> | <u>52,563,346</u> |
| Operating Expenses: | | | | |
| Cost of Goods Sold | 375,685 | 1,335,438 | 1,711,123 | - |
| Personal Services | 4,697,737 | 11,290,923 | 15,988,660 | 1,740,404 |
| Supplies and Materials | 653,247 | 1,749,886 | 2,403,133 | 449,447 |
| Claims Incurred | - | - | - | 29,866,054 |
| Insurance | - | - | - | 7,387,396 |
| Communications | 47,928 | 542,324 | 590,252 | - |
| Utilities | 1,081,880 | 1,708,981 | 2,790,861 | - |
| Maintenance | 282,070 | 719,704 | 1,001,774 | - |
| Contractual Services | 830,338 | 703,209 | 1,533,547 | 1,124,560 |
| Other Services and Charges | 190,269 | 556,846 | 747,115 | 2,746,365 |
| Administrative Services | - | 290,700 | 290,700 | - |
| Depreciation | 1,241,603 | 2,662,796 | 3,904,399 | 2,264,376 |
| Total Operating Expenses | <u>9,400,757</u> | <u>21,560,807</u> | <u>30,961,564</u> | <u>45,578,602</u> |
| Operating Income (Loss) | <u>467,234</u> | <u>(12,024,682)</u> | <u>(11,557,448)</u> | <u>6,984,744</u> |
| Nonoperating Revenues (Expenses): | | | | |
| Investment Earnings | 59,900 | 38,404 | 98,304 | 200,787 |
| Loss on Disposal of Asset | (2,047) | - | (2,047) | 38,428 |
| Total Nonoperating Revenue (Expense) | <u>57,853</u> | <u>38,404</u> | <u>96,257</u> | <u>239,215</u> |
| Income (Loss) before Contributions and Transfers | 525,087 | (11,986,278) | (11,461,191) | 7,223,959 |
| Transfers | - | 9,725,804 | 9,725,804 | - |
| Total Contributions and Transfers | <u>-</u> | <u>9,725,804</u> | <u>9,725,804</u> | <u>-</u> |
| Change in Net Position | 525,087 | (2,260,474) | (1,735,387) | 7,223,959 |
| Total Net Position - Beginning, as restated | 23,480,604 | 44,873,928 | 68,354,532 | 44,521,735 |
| Total Net Position - Ending | \$ <u>24,005,691</u> | \$ <u>42,613,454</u> | \$ <u>66,619,145</u> | \$ <u>51,745,694</u> |

The notes to the financial statements are an integral part of this statement.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Exhibit 9

**Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2015**

| | Business-type Activities- Enterprise Funds | | | Governmental Activities- Internal Service Funds |
|---|--|---------------------------|----------------------|--|
| | Recreational and Cultural Activities | | | |
| | Montgomery County | Prince George's County | Totals | |
| Cash Flows from Operating Activities: | | | | |
| Receipts from Customers and Users | \$ 9,496,086 | \$ 9,649,936 | \$ 19,146,022 | \$ 52,287,229 |
| Payments to Suppliers | (1,699,184) | (7,191,330) | (8,890,514) | (38,018,395) |
| Payments to Employees | (4,203,081) | (11,035,585) | (15,238,666) | (1,701,254) |
| Payments for Interfund Services Used | (323,601) | - | (323,601) | (868,690) |
| Payments for Administrative Charges | (1,697,555) | (290,700) | (1,988,255) | - |
| Net Cash Provided (Used) by Operating Activities | <u>1,572,665</u> | <u>(8,867,679)</u> | <u>(7,295,014)</u> | <u>11,698,890</u> |
| Cash Flows from Noncapital Financing Activities: | | | | |
| Transfers In from Other Funds | - | 9,725,804 | 9,725,804 | - |
| Net Cash Flows from Noncapital Financing Activities | <u>-</u> | <u>9,725,804</u> | <u>9,725,804</u> | <u>-</u> |
| Cash Flows from Capital and Related Financing Activities: | | | | |
| Acquisition and Construction of Capital Assets | <u>(1,003,523)</u> | <u>(192,642)</u> | <u>(1,196,165)</u> | <u>(3,920,068)</u> |
| Net Cash Used by Capital and Related Financing Activities | <u>(1,003,523)</u> | <u>(192,642)</u> | <u>(1,196,165)</u> | <u>(3,920,068)</u> |
| Cash Flows from Investing Activities: | | | | |
| Interest on Investments | <u>59,900</u> | <u>38,404</u> | <u>98,304</u> | <u>200,787</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 629,042 | 703,887 | 1,332,929 | 7,979,609 |
| Cash and Cash Equivalents, July 1 | <u>7,076,824</u> | <u>4,529,511</u> | <u>11,606,335</u> | <u>49,429,470</u> |
| Cash and Cash Equivalents, June 30 | <u>\$ 7,705,866</u> | <u>\$ 5,233,398</u> | <u>\$ 12,939,264</u> | <u>\$ 57,409,079</u> |

**Exhibit 9
continued**

| | Business-type Activities- Enterprise Funds | | | Governmental Activities- Internal Service Funds |
|--|--|---------------------------|-----------------|--|
| | Recreational and Cultural Activities | | | |
| | Montgomery County | Prince George's County | Totals | |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | | |
| Operating Income (Loss) | \$ 467,234 | \$ (12,024,682) | \$ (11,557,448) | \$ 6,984,744 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | | |
| Depreciation | 1,241,603 | 2,662,796 | 3,904,399 | 2,264,376 |
| Effect of Changes in Operating Assets and Liabilities in: | | | | |
| Accounts Receivable | 6,594 | (1,209) | 5,385 | 106,713 |
| Due from Other Government | 2,333 | - | 2,333 | (499,466) |
| Inventories, at Cost | (12,287) | (9,168) | (21,455) | - |
| Accounts Payable | 76,965 | 134,228 | 211,193 | (179,479) |
| Claims Payable | - | - | - | 2,872,463 |
| Accrued Salaries and Benefits | 64,852 | 33,756 | 98,608 | (6,704) |
| Compensated Absences | 16,627 | (15,985) | 642 | (30,780) |
| Revenue Collected In Advance | - | - | - | 116,636 |
| Net Pension Obligation | 44,957 | 95,881 | 140,838 | 27,473 |
| Net Other Post Employment Obligations | 44,619 | 141,686 | 186,305 | 42,914 |
| Revenue Collected in Advance | (380,832) | 115,018 | (265,814) | - |
| Total Adjustments | 1,105,431 | 3,157,003 | 4,262,434 | 4,714,146 |
| Net Cash Provided (Used) by Operating Activities | \$ 1,572,665 | \$ (8,867,679) | \$ (7,295,014) | \$ 11,698,890 |

The notes to the financial statements are an integral part of this statement.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Exhibit 10

**Statement of Net Position
Fiduciary Funds
June 30, 2015**

| | Pension Trust Funds | Private Purpose Trust Funds | Agency Funds |
|---|---------------------------|-----------------------------------|-------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| ASSETS | | | |
| Equity in Pooled Cash and Investments | \$ 619,216 | \$ 17,488,471 | \$ 1,020,304 |
| Cash | 66,932 | - | - |
| Fixed Income Securities | 200,828,460 | - | - |
| International Fixed Income Securities | 3,256,666 | - | - |
| Venture Capital/Alternative Investments | 83,006,017 | - | - |
| Corporate Stock | 358,642,751 | - | - |
| International Corporate Stock | 83,123,277 | - | - |
| Real Estate Investments | 62,937,508 | - | - |
| Short Term Investments | 40,043,633 | - | - |
| Mutual Funds | 26,643,992 | - | - |
| Collateral for Securities Lending Transactions | 33,103,308 | - | - |
| Accounts Receivable | 1,354,898 | 525 | - |
| Land Held for Other Governments | - | 65,435,986 | - |
| Other | 15,939 | - | - |
| Total Assets | <u>893,642,597</u> | <u>82,924,982</u> | <u>1,020,304</u> |
| LIABILITIES | | | |
| Investment Payable | 21,040,331 | - | - |
| Accounts Payable | 1,500,468 | 3,457 | - |
| Claims Payable | 480,776 | - | - |
| Obligation for Collateral Received under Securities Lending Transactions | 33,957,643 | - | - |
| Deposits | - | - | 1,020,304 |
| Total Liabilities | <u>56,979,218</u> | <u>3,457</u> | <u>1,020,304</u> |
| NET POSITION | | | |
| Assets Held in Trust for: | | | |
| Land Held for Other Governments | - | 65,435,986 | - |
| Pension Benefits | 791,995,626 | - | - |
| Other Postemployment Benefits | 44,667,753 | - | - |
| Other Purposes | - | 17,485,539 | - |
| Total Net Position | <u>\$ 836,663,379</u> | <u>\$ 82,921,525</u> | <u>\$ -</u> |

The notes to the financial statements are an integral part of this statement.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Exhibit 11

**Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2015**

| | <u>Pension Trust Funds</u> | <u>Private Purpose Trust Funds</u> |
|---|------------------------------------|--|
| ADDITIONS | | |
| Contributions: | | |
| Employer | \$ 43,733,710 | \$ - |
| Plan Members | 6,339,732 | - |
| Plan Members for Current Benefits | 2,238,511 | - |
| Private Donations | - | 23,733 |
| Total Contributions | <u>52,311,953</u> | <u>23,733</u> |
| Receipts from Commission Debt Service Funds | - | 1,467,000 |
| Federal Grants - Medicare | 317,000 | - |
| Investment Earnings: | | |
| Interest | 6,690,714 | 63,418 |
| Dividends | 604,047 | - |
| Net decrease in the Fair Value of Investments | <u>(2,071,210)</u> | - |
| Total Investment Earnings | 5,223,551 | 63,418 |
| Less Investment Advisory and Management Fees | <u>(2,854,345)</u> | - |
| Net Income from Investing Activities | <u>2,369,206</u> | <u>63,418</u> |
| Securities Lending Activity | | |
| Securities Lending Income | 117,312 | - |
| Securities Lending Fees | <u>(15,358)</u> | - |
| Net Income from Securities Lending Activity | <u>101,954</u> | - |
| Total Net Investment Income | <u>2,471,160</u> | <u>63,418</u> |
| Total Additions and Investment Income | <u>55,100,113</u> | <u>1,554,151</u> |
| DEDUCTIONS | | |
| Benefits | 53,053,679 | - |
| Refunds of Contributions | 390,629 | - |
| Administrative Expenses | 1,593,188 | - |
| Other | - | 136,316 |
| Total Deductions | <u>55,037,496</u> | <u>136,316</u> |
| Change in Net Position | 62,617 | 1,417,835 |
| Net Position - Beginning | <u>836,600,762</u> | <u>81,503,690</u> |
| Net Position - Ending | <u>\$ 836,663,379</u> | <u>\$ 82,921,525</u> |

The notes to the financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

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THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

(1) – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) The Commission and Its Services

Background

The Maryland-National Capital Park and Planning Commission (the "Commission") is a body corporate of the State of Maryland established by the Maryland General Assembly in 1927. The Commission is a bi-county agency. It is empowered to acquire, develop, maintain and administer a regional system of parks in the defined Metropolitan District in Montgomery and Prince George's Counties and to prepare and administer a general plan for the physical development of a defined Regional District for the two Counties. The Commission also conducts the recreation program for Prince George's County. The express powers of the Commission are provided in the Land Use Article of the Annotated Code of Maryland, Sections 15-115 and 15-116. As a body corporate of the State of Maryland, the Commission is not generally subject to local county legislation such as the Tax Reform Initiative by Marylanders ("TRIM"), a Prince George's County Charter Amendment originally enacted in November 1978.

The major source of funding for the Commission's primary services are five property taxes levied on an individual County basis: Montgomery County administration tax - general administration and planning; Montgomery County park tax - park operations and debt service for park acquisition and development bonds; Prince George's County administration tax - general administration and planning; Prince George's County park tax - park operations and debt service for park acquisition and development bonds; and the Prince George's County recreation tax for the recreation program. Five separate accounts are maintained within the General Fund to account for the Commission's primary services. Revenues and expenditures that can be specifically identified with a County are recorded in the appropriate account of that County and those that apply to both Counties are allocated to the appropriate accounts. Other funds and accounts are maintained on a Commission-wide or on a separate County basis as necessary and appropriate.

The provisions of Sections 15-115 and 15-116 of the Land Use Article of the Annotated Code of Maryland require that the Commission publish an annual financial report and that its financial statements be audited by independent certified public accountants. The accompanying financial statements have been presented to meet the financial reporting needs of the Commission and the requirements of Maryland law.

Financial Reporting Entity

As required by accounting principles generally accepted in the United States of America (GAAP), these financial statements present the Commission and its blended component units, the ERS and the 115 Trust and discretely presented component unit, the Montgomery County Parks Foundation, Inc. (The Foundation). A blended component unit, although a legally separate entity, is, in substance, part of the Commission's operations and therefore data from these units are combined with data of the Commission. Accordingly, the financial statements of these component units are included as pension trust funds in the accompanying financial statements. The discretely presented component unit is included in the reporting unit because the Primary Government provides a significant amount of funding to the unit and appoints the governing board.

The Employees' Retirement System (ERS), administered by the 11 member Board of Trustees, in accordance with the Trust Agreement between the Board and the Commission, is a contributory defined benefit pension system qualified under the Internal Revenue Code Section 401(a). The administrative operations are the responsibility of the ERS Staff and Board-appointed Administrator, who reports directly to the Board of Trustees. Publicly available Financial Statements for the ERS can be obtained at 6611 Kenilworth Avenue, Suite 100, Riverdale, Maryland 20737.

The Other Post-Employment Benefits Trust (115 Trust), administered by the 5 member Board of Trustees, in accordance with the Trust Agreement between the Board and the Commission, is a trust qualified under the

Internal Revenue Code Section 115 to provide health insurance benefits for eligible participants. Only employer funds are held in the trust. The administrative operations are the responsibility of the Administrator who is a Commission employee, and reports directly to the Board of Trustees.

The Montgomery County Parks Foundation helps fund parks and open space needs in Montgomery County, Maryland. The Foundation works in cooperation with private citizens, business, other foundations, the Commission and the Montgomery County Department of Parks to meet these parks and open space needs. The Foundation has a calendar year of December 31. The completed financial statements can be obtained at 9500 Brunett Avenue, Silver Spring, MD 20901.

In accordance with GAAP, the Commission represents a joint venture of Montgomery and Prince George's Counties, reportable in the notes to their respective financial statements. The financial data of the Commission pertinent to Montgomery County and Prince George's County for governmental funds are set forth on a County basis in Note 7.

(B) Government-wide and Fund Financial Statements

The Commission follows accounting standards established by the Governmental Accounting Standards Board ("GASB").

The reporting requirements established by GASB include:

Management's Discussion and Analysis – GASB standards require that financial statements be accompanied by a narrative introduction and analytical overview of the Commission's financial activities in the form of "management's discussion and analysis" (MD&A). This analysis is similar to analysis the private sector provides in their annual reports.

Government-wide Financial Statements – The reporting model includes financial statements prepared using full accrual accounting for all of the Commission's activities. This approach includes not just current assets and liabilities (such as cash and accounts payable), but also capital assets and long-term liabilities (such as buildings and infrastructure, including bridges and roads, and general obligation debt). Full accrual accounting also recognizes all revenues and the full cost to provide services each year, not just those received or paid in the current year or soon thereafter. Neither fiduciary funds nor component units that are fiduciary in nature are included in Government-wide financial statements.

The basic financial statements include both Government-wide (based on the Commission as a whole) and fund financial statements. The focus is on both the Commission as a whole and the fund financial statements, including the major individual funds of the governmental and business-type categories, as well as the fiduciary funds (by category). Both the Government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type. In the Government-wide Statement of Net Position and Statement of Activities, both the governmental and business-type activities columns are presented on a consolidated basis by column on a full accrual, economic resource basis, as discussed above. Eliminations have been made to minimize the double counting of internal activities. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

The Government-wide Financial Statements are made up of the following:

Statement of Net Position – The Statement of Net Position is designed to display the financial position of the Commission (government and business-type activities). The Commission reports all capital assets, including infrastructure, in the Government-wide Statement of Net Position and reports depreciation expense – the cost of "using up" capital assets – in the Statement of Activities. Net position is the excess of assets and deferred outflows over liabilities and deferred inflows. The net position of the Commission is presented in three categories – 1) net investment in capital assets; 2) restricted; and 3) unrestricted. The Commission generally first uses restricted net position for expenses incurred for which both restricted and unrestricted net position are available. The Commission may defer the use of restricted net position based on a review of the specific transaction. The Commission has no restricted net position as of June 30, 2015.

Statement of Activities – The Government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the Commission’s functions. The expense of each individual function is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants). The Government-wide Statement of Activities reflects both the gross and net cost per functional category (county planning and zoning, park operations and maintenance, recreation, etc.) that is otherwise being supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (county planning and zoning, park operations and maintenance, recreation, etc.) or a business-type activity. Program revenues include 1) charges for county planning and zoning services; 2) charges for park operations and maintenance; 3) rentals and concessions; 4) recreational and cultural facilities and events and 5) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported as general revenues. Direct expenses are considered those that are clearly identifiable with a specific function or segment. The Commission does not allocate indirect expenses. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

Fund Financial Statements – Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the Government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

In the fund financial statements, financial transactions and accounts of the Commission are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The governmental fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the Government-wide statements’ governmental activities column, reconciliations are presented which briefly explain the adjustments necessary to reconcile the fund financial statements to the governmental activities column of the Government-wide financial statements.

The Commission’s fiduciary funds, the Employees’ Retirement System and the Other Post-Employment Benefits Fund, which are fiduciary in nature, are presented in the fund financial statements by fund type (pension, private purpose trust, and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the Commission, these funds are not incorporated into the Government-wide statements.

Budgetary Comparison Schedules – Demonstrating compliance with the adopted budget is an important component of the Commission’s accountability to the public. Many citizens participate in the process of establishing the annual operating budgets of state and local governments and have a keen interest in following the financial progress of their governments over the course of the year. For this reason, the Commission has chosen to make its General Fund budgetary comparison statement part of the basic financial statements. The Commission and many other governments revise their original budgets over the course of the year for a variety of reasons.

Since the Commission adopts its General Fund budget by accounts within each county, each of which has a dedicated tax levy, budgetary comparison summaries are presented for each account in Note 7. These accounts are as follows: Montgomery County Administration, Montgomery County Park, Prince George’s County Administration, Prince George’s County Park, and Prince George’s County Recreation.

(C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Government-wide, proprietary and pension trust and private purpose fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are generally recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year in which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Employee and employer contributions to pension trust funds are recognized as revenues (additions to net position) in the period in which employee services are performed. Both benefits and refunds paid are recognized as expenses (deductions from net position) in the period in which paid.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Amounts not received within 60 days are reported as deferred revenue. Expenditures are generally recorded when a liability is incurred, as under the accrual basis of accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment has matured and is due.

Property taxes, interest and grants associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Commission.

The Commission reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Commission. It is used to account for the tax revenues and other revenues which fund the Commission’s general operations and to account for all other financial resources except those required to be accounted for in another fund.

Montgomery County and Prince George’s County Capital Projects Funds – These Capital Projects Funds are used to account for the acquisition, development or improvement of parkland and the acquisition or construction of major capital facilities other than those accounted for in the proprietary funds and the Advance Land Acquisition Accounts in the Private Purpose Trust Funds. The Commission maintains separate funds for each county.

The Commission reports the following major enterprise funds:

Montgomery County and Prince George’s County Enterprise Funds – These Enterprise Funds are used to account for recreational and cultural facilities’ operations that are financed and operated in a manner similar to private business enterprises. A separate Enterprise Fund is maintained for the enterprise operations of each county, each of which is considered a major fund.

Additionally, the Commission reports the following fund types:

Other Governmental Funds – The other governmental fund types used by the Commission are special revenue and debt service. Special revenue funds are used to account for specific revenues that are legally restricted for particular purposes. Debt service funds account for resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

Internal Service Funds – Internal service funds are used to account for the financing of certain goods or services provided by one department to other departments of the Commission on a cost-reimbursement basis. There are eight internal service funds reported by the Commission: Montgomery County Capital Equipment Fund, Montgomery County Employee Benefits Fund, Montgomery County Risk Management Fund, Prince George’s County Capital Equipment Fund, Prince George’s County Executive Office Building Fund, Prince George’s County Employee Benefits Fund, Prince George’s County Risk Management Fund, and Commission Wide Initiatives Fund.

The Commission reports the following fiduciary fund types:

Pension Trust Funds – The Employees’ Retirement Fund is used to account for all activities of the Employees’ Retirement System including accumulation of resources for, and payment of, retirement annuities and/or other benefits and the administrative costs of operating the system.

The Other Postemployment Benefits Fund is used to account for the accumulation of Commission resources for postretirement health care benefits provided by the Commission.

Private-Purpose Trust Funds – Private-purpose trust funds are used to account for funds whose principal and interest are legally held in trust and must be expended in accordance with their designated purposes. The most significant amounts included are the Advance Land Acquisition Accounts, which are used to acquire land for specific public uses, such as schools, libraries, parks or roads.

Agency Funds – The agency funds are used to account for certain deposits held by the Commission.

In the process of aggregating data for the Government-wide financial statements, some amounts reported as interfund activity and balances in the funds should be eliminated or reclassified. As a general rule, the effect of interfund activity has been eliminated from the Government-wide financial statements. The effect of the interfund services provided and used between functions has not been eliminated in the Statement of Activities, since to do so would distort the direct costs and program revenues reported for the various functions concerned. Internal Service Funds are used by management to charge to funds using the service costs of capital equipment financing, risk management, employee benefits, Commission-wide initiatives, and the Executive Office Building. The assets and liabilities of the Internal Service Funds are included in the governmental activities column of the Statement of Net Position. The Commission eliminates internal service fund expenses by allocating the expenses to other functions. Expenses for capital equipment, risk management and Commission wide initiatives are allocated based on revenues, and for employee benefits based on salaries expense. The expenses of the Prince George's County Executive Office Building Fund are allocated to general government. The funds are so unique that a single allocation method was not appropriate.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

(D) Assets, Liabilities, Deferred Outflow/Inflow of Resources and Net Position

Cash and Cash Equivalents – Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and mature within three months of the date acquired by the Commission.

Equity in Pooled Cash and Investments – The Commission pools the cash and investments of all funds into a common pool to maintain investment flexibility and maximize earnings. The Commission's Finance Department manages the pool. Investment earnings are allocated to participating Funds based upon their average monthly equity in pooled cash balances. Commission investments, including those in the Pension Trust Fund, are stated at fair value.

Property Taxes Receivable – All property tax receivables are shown net of an allowance for uncollectible accounts of \$1,364,653 at June 30, 2015. The property tax receivable allowance is based on an aging of receivables, with increasing percentages applied to older receivables. Property taxes are levied and collected for the special taxing districts of the Commission by Montgomery and Prince George's County Governments, as appropriate. Semiannual tax payment plans are automatic for homeowners living in their properties unless they request an annual payment plan. Under the semiannual payment plan, one-half of the real property taxes are due by September 30 and the remaining one-half is due by December 31. Real property taxes are levied on July 1 each year and become delinquent on October 1 and January 1, at which time interest and penalties commence. Personal property and real property taxes levied for a fraction of a year are due when billed. Tax liens on real property are sold at public auction on the second Monday in June in Montgomery County and on the second Monday in May in Prince George's County for taxes that are delinquent.

The property tax revenues and rates of the Commission are not subject to any legislative limitations. However, the respective County Council approves such revenues and rates when budgets are adopted.

Accounts Payable and Other Current Liabilities – Accounts payable includes only short-term liabilities due and payable within the normal course of business.

Inventories – Inventories are valued at the lower of cost (first-in, first-out) or market for proprietary funds.

Capital Assets – Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, trails, dams and similar items), are reported in the applicable governmental or business-type activities columns in the Government-wide financial statements. The Commission defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed and actual costs are not known. Donated capital assets are recorded at estimated fair value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|----------------------------|--------------|
| Buildings and Improvements | 20 – 40 |
| Infrastructure | 15 – 60 |
| Machinery and Equipment | 5 – 10 |

Deferred Outflows/Inflows of Resources – A deferred outflow of resources represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenditures) until the future period. The Commission recognizes deferred outflows for the difference between the projected and actual investment earnings related to pensions. The Commission also recognizes deferred outflows for changes in assumption as well as for the difference between expected and actual experience.

A deferred inflow of resources represents an acquisition of net position that applies to a future period so will not be recognized as an inflow of resources (revenue) until the future period. The Commission recognizes deferred inflows for property taxes collected in advance.

Compensated Absences – Commission employees earn annual leave and sick leave in varying amounts, and are granted three days of personal leave annually. Some employees may also earn compensatory leave in lieu of overtime pay. There is no liability for unpaid accumulated sick leave since the Commission does not have a policy to pay any amounts when employees separate from service.

In the Government-wide financial statements, and proprietary fund types in the fund financial statements, compensated absences are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. When annual and sick leave are used or taken by employees, the expense is charged directly to the employees' cost center. Compensated absences for leave liabilities for employees charged to proprietary funds, are charged directly to the proprietary funds' cost center to which the employee is assigned. The year-end liability for annual leave and compensatory leave for all employees is calculated based on hours of leave available, priced at current salary rates plus applicable employer payroll taxes.

Long-term Obligations – In the Government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Pensions – For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions and pension expense, information about fiduciary net position of The Maryland-National Capital Park and Planning Commission Employee's Retirement System (the System) and additions to /deductions from the System's fiduciary net pension have been determined on the same basis as they are reported in the System's financial statements. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balances - The Commission's policy is to maintain an adequate General Fund fund balance to provide liquidity in the event of an economic downturn and this policy is an important part of sound fiscal management. The Commission has adopted Resolution No. 06-21, a financial standard to maintain a minimum unrestricted fund balance of the General Fund so that at each fiscal year end this balance shall not be less than 3% to 5% of the current year's expenditures.

Fund balances, presented in the governmental fund financial statements, represent the difference between assets, liabilities and deferred inflow of resources reported in a governmental fund. GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", establishes criteria for classifying fund balances into specifically defined classifications based upon the type of restrictions imposed on the use of funds and has classified fund balances into the following five categories:

- **Nonspendable** – Items that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, such as inventory and prepaid expenses.
- **Restricted** – Items that are restricted by external parties such as creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
- **Committed** – Items that have been committed for specific purposes pursuant to constraints imposed by a formal action (i.e. resolution) by the entity's "highest level decision-making authority", which the Commission considers actions taken by the Chairman and Vice-Chairman to be the highest level. These committed amounts could be changed by reversing the same type of action the Commission employed to previously commit the funds. The formal action should occur prior to the end of the reporting period.
- **Assigned** – Amounts reflecting a government's intended use of resources for specific purposes require less formal actions. Also, the Commission can delegate assignment authority to the Planning Boards per the Land Use Article of the Annotated Code of Maryland.
- **Unassigned** – This category is for any balances that have no restrictions placed upon them.

The Commission reduces restricted amounts first when expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available. The Commission reduces committed amounts first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The Fund Balance in the General Fund Accounts is broken down as follows:

| | Montgomery County | | Prince George's County | | | Total |
|--------------------|---------------------|----------------------|------------------------|-----------------------|----------------------|-----------------------|
| | Administration | Park | Administration | Park | Recreation | |
| Committed | \$ 4,610,771 | \$ 3,972,636 | \$ 14,566,119 | \$ 8,904,348 | \$ 6,041,010 | \$ 38,094,884 |
| Assigned | 2,099,079 | 559,451 | 3,786,412 | - | 3,651,294 | 10,096,236 |
| Unassigned | 3,136,647 | 6,243,043 | 16,567,254 | 98,066,222 | 17,056,416 | 141,069,582 |
| Total Fund Balance | <u>\$ 9,846,497</u> | <u>\$ 10,775,130</u> | <u>\$ 34,919,785</u> | <u>\$ 106,970,570</u> | <u>\$ 26,748,720</u> | <u>\$ 189,260,702</u> |

Encumbrances - Encumbrance accounting is employed in the general, capital project and special revenue funds. Under this method, purchase orders, contracts, memoranda of understanding and other commitments outstanding at year-end do not constitute expenditures or liabilities. GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", provides additional guidance on the classification within the fund balances section of amounts that have been encumbered. Encumbrances of balances within the General and Capital Project funds are classified as committed. These encumbrances, along with encumbrances of balances in funds that are restricted, committed or assigned, are not separately classified in the financial statements, and are summarized as follows:

| | |
|--|------------|
| General Fund - Montgomery County | 8,583,407 |
| General Fund - Prince George's County | 29,511,477 |
| Capital Projects Fund - Montgomery County | 31,466,973 |
| Capital Projects Fund - Prince George's County | 40,048,679 |
| Non-Major Governmental Funds | 1,561,374 |

(2) – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

The governmental fund balance sheet (Exhibit 3) includes reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the Statement of Net Position (Exhibit 1). Details related to the most significant items on the reconciliation are as follows.

Capital assets used in governmental activities are not financial resources, and therefore are not reported in the funds. The capital assets related to governmental funds (not including internal service funds) include:

| | | |
|--|----|--------------------|
| Land | \$ | 368,888,235 |
| Buildings and improvements | | 207,674,960 |
| Infrastructure | | 248,651,587 |
| Machinery, Equipment and Intangibles | | 63,415,818 |
| Accumulated Depreciation on Buildings, Improvements and Machinery, Equipment and Intangibles | | (328,839,849) |
| Construction in Progress | | 254,197,124 |
| Total | \$ | <u>813,987,875</u> |

Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in the funds. The long-term debt related to governmental funds (not including internal service funds) includes:

| | | |
|---|----|--------------------|
| Bonds and Notes Payable: | | |
| Due Within One Year | \$ | 10,433,171 |
| Due in More than One Year | | 91,091,208 |
| Net Other Post Employment Benefit Obligations | | 69,093,679 |
| Net Pension Obligations | | 126,949,205 |
| Compensated Absences | | |
| Due Within One Year | | 11,389,800 |
| Due in More than One Year | | 8,709,668 |
| Accrued Interest Payable | | 614,333 |
| Totals | \$ | <u>318,281,064</u> |

(3) – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

(A) Budgetary Information

The following procedures are used in establishing the annual budget.

On or before January 15, the Commission submits to the County Executive of each County a proposed annual budget for the respective accounts of the General Fund (including park debt service) and the Special Revenue Funds, and a budget plan for the respective Enterprise Funds and Internal Service Funds. The Capital Projects Funds' budgets and six-year expenditure plans are submitted to the County Executive of Prince George's County prior to each November 1 and to the County Executive of Montgomery County prior to November 1 of each odd-numbered year. These budgets and plans include proposed expenditures and the means of financing them.

Each County Executive transmits the budgets and plans with recommendations to the respective County Council. The County Councils conduct public hearings on the budgets and plans, and the budgets and plans are legally adopted prior to July 1.

The legal level of budgetary control is the department or function for the Administration Accounts and the Montgomery County Park Account, and the Account level for Prince George's County Park Account, and Prince George's County Recreation Account. The Commission's expenditures may not exceed the total approved budget for each of the General Fund Accounts without prior approval by the respective County Council, except where grant funds received with the knowledge and approval of Prince George's County constitute an automatic budget amendment, thereby increasing the appropriations. Management is authorized to allow a department or function within a General Fund Account to be overspent by up to 10% of the approved budget without Council approval, provided the account in total is not overspent.

General Fund and Special Revenue Fund unencumbered appropriations lapse at year-end. Capital project appropriations do not lapse until the project is completed. The budget plans for the proprietary funds serve as a guide to the Commission and not as legally binding limitations.

Formal budgetary integration is employed as a management control device for the General Fund. The budget for the General Fund is adopted on a modified accrual basis consistent with GAAP except that encumbrances are treated as expenditures.

The actual expenditures in the General Fund Statements of Revenues, Expenditures/Encumbrances, and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual are presented on a basis consistent with The Maryland-National Capital Park and Planning Commission Adopted Annual Budget. All expenditures made during fiscal year 2015 were within the legal limitations pertinent to the Commission. Under the budgetary method, current year outstanding encumbrances are charged to the budgetary appropriations and are considered expenditures of the current period. Governmental GAAP considers outstanding encumbrances as reservations of fund balances that are charged to expenditures in the period in which the goods or services are used or received.

Reconciliation from the Budget Basis to the GAAP Basis for the year ended June 30, 2015, as noted in Note 6 as follows:

| | Montgomery County | | Prince George's County | | | Total General Fund |
|-----------------------------|------------------------|--------------|------------------------|-----------------|--------------------|--------------------|
| | Administration Account | Park Account | Administration Account | Park Account | Recreation Account | |
| Adjustment to Expenditures | | | | | | |
| To Increase - | | | | | | |
| Encumbrances - | | | | | | |
| June 30, 2014 | \$ 4,102,082 | \$ 4,337,676 | \$ 8,883,799 | \$ 12,094,134 | \$ 5,109,082 | \$ 34,526,773 |
| To Decrease - | | | | | | |
| Encumbrances - | | | | | | |
| June 30, 2015 | (4,610,771) | (3,972,636) | (14,566,119) | (8,904,348) | (6,041,010) | (38,094,884) |
| Total Adjustment | (508,689) | 365,040 | (5,682,320) | 3,189,786 | (931,928) | (3,568,111) |
| Net Change in Fund Balance: | | | | | | |
| GAAP Basis | (1,240,795) | 124,204 | 3,723,887 | (20,158,019) | (3,140,142) | (20,690,865) |
| Budget Basis | \$ (1,749,484) | \$ 489,244 | \$ (1,958,433) | \$ (16,968,233) | \$ (4,072,070) | \$ (24,258,976) |

(4) – DETAILED NOTES ON ALL FUNDS

(A) Cash and Investments

The Commission's deposits and investments as of June 30, 2015, totaled \$1,285,998,804. The Commission's unrestricted pool of deposits and investments (\$383,553,694) is available to all funds, except for the Pension Trust Funds.

Commission Cash and Investments

Custodial Credit Risk - Deposits - At year-end, the carrying amount of cash deposits was \$5,234,707 and the bank balance was \$5,500,040. In addition, the Commission held cash at various locations totaling \$262,209. Of the bank balance, \$250,000 was covered by Federal depository insurance and the remainder was collateralized by \$5,250,040 of securities held by a member of the Federal Reserve banking system in the name of the Commission and the Commission's bank.

The Commission requires collateral for the bank balances of deposits and investments to be held in the Commission's name by the trust department of a bank other than the pledging bank. The Commission's policy was complied with throughout the year ended June 30, 2015. Collateral shall be maintained in excess of FDIC insurance coverage for all Commission bank cash accounts, certificates of deposits and time deposits.

Money Market Deposits - At year end the carrying value (fair value) of deposits in investment grade money market accounts is \$95,852,048. Of these deposits \$21,135 relates to cash and investments restricted for construction.

Investments - The Annotated Code of Maryland authorizes the Commission to invest in obligations for which the United States has pledged its full faith and credit for the payment of principal and interest, obligations that are issued by a Federal agency, repurchase agreements, bankers' acceptances, commercial paper, money market mutual funds, the State Treasurer's investment pool, and certificates of deposit. Commission bond proceeds may also be invested in municipal bonds and notes. The investment program also complies with the Commission's internal investment policy.

Statutes do not restrict the investment activity of the pension trust funds.

Cash and Investments Restricted for Unspent Debt Proceeds - At year-end, the Commission had \$10,792,566 of unspent bonds and note proceeds restricted to pay construction costs for various projects.

Custodial Credit Risk - Investments - For an investment, this is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Statutes require that securities underlying repurchase agreements have a fair value of at least 102% of the cost of the investment. If during the year, the fair value of securities underlying such investments falls below this required level, additional collateral is pledged or other collateral in the amount of the required level is substituted. All collateral met statutory requirements and is held in the Commission's name by a third-party custodian.

Fixed Income Investments - Fixed income investments included in the Commission's Pooled Investments at June 30, 2015 were as follows:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Weighted Average Maturity (Days)</u> |
|---|------------------------------|---|
| Municipal Bonds | 625,197 | 9.00 |
| U.S. Treasury Bills | 5,096,504 | 82.20 |
| Federal Home Loan Mortgage Association Notes | 21,030,330 | 252.21 |
| Commercial Paper | 26,216,690 | 176.95 |
| Federal Agricultural Mortgage Corporation Notes | 30,020,760 | 151.17 |
| Maryland Local Government Investment Pool (MLGIP) | 41,800,041 | 46.00 |
| Federal Home Loan Bank Notes | 83,116,384 | 179.95 |
| Federal Farm Credit Bank | 85,091,390 | 306.00 |
| Total Fair Value | <u>\$ 292,997,296</u> | |
| Portfolio Weighted Average Maturity | | 197.28 |

Pooled Investments - The State Legislature created the Maryland Local Government Investment Pool ("MLGIP") with the passage of Article 95 22G, of the Annotated Code of Maryland. The MLGIP, under the administrative control of the State Treasurer, is managed by a single Pittsburgh-based financial institution, PNC Bank. The pool has a AAAM rating from Standard and Poor's and maintains a \$1.00 per share value. A MLGIP Advisory Committee of current participants was formed to review, on a semi-annual basis, the activities of the fund and to

provide suggestions to enhance the pool. The fair market value of the pool is the same as the value of the pool shares.

Interest Rate Risk - The Commission manages its exposure to declines in fair value by limiting the maturity of its investment portfolio. The majority of investments shall be for a maximum maturity of one year. A portion of the portfolio may be invested in U.S. Government and U. S. Agency securities with a maturity of up to two years.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The Commission’s investment policy requires that investments in commercial paper, money market accounts and bankers acceptances have received ratings of the highest letter and numerical rating by at least one nationally recognized statistical rating organization as designated by the Securities and Exchange Commission. Up to 10% of bond proceeds may be invested in money market mutual funds that have not received the highest rating but are still recognized as investment grade. All related investments have received ratings of the highest letter quality, except for \$21,135 (0.20%) of bond funds invested in a money market fund that is considered investment grade.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the Commission’s investment in a single issuer. It is the Commission’s policy to diversify by investment type and institution in order to avoid unreasonable risks, with maximum limitation as follows:

| <u>Diversification by Investment Type</u> | <u>Maximum Percent of Portfolio*</u> |
|--|--------------------------------------|
| U.S. Government Securities | 100 % |
| U.S. Agency Securities | 60 |
| Repurchase Agreements | 60 |
| Certificates of Deposit (Including Time Deposits) ** | 50 |
| Bankers' Acceptances | 50 |
| Bankers' Acceptances – Non-U.S. | 5 |
| Commercial Paper | 10 |
| Pooled Investments | 25 |
| Money Market Mutual Funds (10%/fund) | 25 |
| Bond Proceeds: | |
| Municipal Securities | 100 |
| Money Market Mutual Funds – Highest Rating | 100 |
| Money Market Mutual Funds – Investment Grade | 10 |

| <u>Diversification by Institution</u> | <u>Maximum Percent of Portfolio*</u> |
|--|--------------------------------------|
| Approved Broker/Dealers and Financial Institutions | 30 % |
| Money Market Mutual Funds by Fund | 10 |
| U.S. Government Agency by Agency | 20 |
| Bankers Acceptances by Institution | 20 |
| Commercial Banks for CD's and Time Deposits** | 30 |

* At time of purchase

** Certificates of deposit are classified as deposits for financial reporting purposes.

The Commission is currently in compliance with this policy.

Employees' Retirement System (ERS) Cash, Investments and Securities Lending

Cash and Short Term Investments - For short term investments, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it.

The amount of ERS's total cash and short term investments at June 30, 2015, was \$40,110,565. Cash deposits that were insured and collateralized in the bank account totaled \$66,932 at June 30, 2015. At June 30, 2015, the ERS held \$40,043,633 of short term investments in its custodial investment accounts.

As of June 30, 2015, the ERS held \$46,971 of short term investments that were exposed to custodial credit risk.

Investments - The Board of Trustees ("Board") of ERS is authorized by the Trust Agreement dated July 26, 1972 and most recently amended September 16, 2009 to invest and reinvest the Trust Fund, as may be determined by the investment consultant selected by the Commission. The Board is authorized to formulate investment policies, develop investment manager guidelines and objectives, and approve the retention of qualified advisors and investment managers.

Trust Fund assets should be invested to obtain an appropriate long-term total return consistent with prudent risk taking. The Trust Fund shall be diversified across investment classes and among investment managers in order to achieve return as compensation for investment risk. The Board established target allocations for each asset class, as well as ranges of expected exposure as follows:

| Asset Class | Target Exposure | Expected Range |
|-----------------------------------|------------------------|-----------------------|
| U.S. Equities | 23.0% | 18%-28% |
| International Equities | 23.0% | 18%-28% |
| Private Equities | 5.0% | 0%-8% |
| Total Equities | 51.0% | 46%-56% |
| Core Fixed Income | 10.0% | 7%-13% |
| High Yield Fixed Income | 7.5% | 5%-10% |
| Global Opportunistic Fixed Income | 7.5% | 5%-10% |
| Bank Loans | 4.0% | 2%-6% |
| Total Fixed Income | 29.0% | 24%-34% |
| Public Real Assets | 5.0% | 0%-15% |
| Private Real Assets | 15.0% | 5%-20% |
| Total Real Assets | 20.0% | 10%-25% |

The Board approved revisions to the Statement of Investment Policy ("Policy") on February 3, 2015. The Policy was revised to address the Board's responsibilities in connection with the use of swap agreements by investment managers.

Each investment manager has a set of guidelines, which contain investment objectives, and risk control provisions, which are appropriate for each manager's mission. Investment managers have discretion within the constraints of these guidelines and are subject to regular review by the Board. Investment manager assignments may be implemented with pooled vehicles. In such circumstances, the ERS may not have control with respect to the investment guidelines and objectives as they are written broadly for multiple investors. The Trust Fund has guidelines, which apply broadly to each asset class as follows:

Public Equity Guidelines (U.S. and International)

- Under normal conditions no more than 5% of the value of the U.S. and International composites should be held in cash equivalents at any time.
- The U.S. and International equity composites are expected to remain broadly diversified by economic sector, industry and individual securities at all times.
- The composites should match the asset class benchmark in terms of capitalization and growth characteristics; and be similar to the asset class benchmark in terms of risk.

Private Equity Guidelines

- The portfolio is expected to be diversified by geographic location with the following weightings: North America (approximately 50%), Europe (approximately 30%), and the Asia-Pacific region and other emerging markets (approximately 20%).
- The composite is expected to be diversified by the following investment types: buyouts, venture capital, growth equity, distressed, and special situations (private equity-like investments, such as mezzanine debt, asset-intensive assets or royalty streams and other opportunistic funds).
- Secondary fund investments and direct co-investments are permitted on an opportunistic basis with a combined maximum limit of 20%.
- Investments should be diversified by vintage year.
- No single partnership investment is expected to be more than 20% of the private equity composite. This guideline shall not apply during initial funding.

Fixed Income Guidelines

- The fixed income portfolio is structured to include exposures to the following sub-classes: core fixed income, high yield fixed income, global opportunistic fixed income and bank loans.
- The fixed income composite may have up to 20% of its value in cash equivalents at any time.
- Except for securities issued by the US Government and/or its Agencies, any single issuer is not expected to exceed 5% of the market value of the fixed income composite at any time.
- Duration of each fixed income sub-class should typically remain with +/- 1.5 years of the sub-class benchmark.
- Credit quality for each sub-class is expected to be similar to that of the designated sub-class benchmark, as measured by a recognized rating agency (Standard & Poor's or Moody's).
- Build America Bonds issued by Montgomery County and Prince George's County are prohibited.
- Flexible global opportunistic fixed income guidelines allow manager to invest globally, seeking to add value through duration management, yield curve positioning, sector/issue selection, country market selection and currency.

Real Assets Guidelines

- The real assets portfolio includes private real assets and public real assets.
- Any un-invested portion of the private real assets allocation should remain invested in public real assets.

Private Real Assets Guidelines

- Investments will be structured privately in the form of commingled or pooled vehicles such as limited partnerships and diversified among the following investment types: real estate, energy, mining, timber, agriculture, and infrastructure.
- The private real assets portfolio is expected to be diversified by geographic location with a minimum of 50% invested in the United States and no more than 30% invested in emerging markets.
- Investments should also be diversified by vintage year. No single partnership commitment is expected to be more than 20% of the real assets portfolio or more than 20% of the portfolio of a fund-of-funds manager.

Public Real Assets Guidelines

- Investments structured in public real assets include natural resource stocks, real estate securities (including REITs), commodities and inflation indexed bonds that are broadly diversified such that each sub-asset class may contribute to the portfolio's real return and risk profile.

Derivatives Policy Statement- A Derivatives Policy Statement identifies and allows common derivative investments and strategies, which are consistent with the Statement of Investment Policy. The guidelines identify transaction-level and portfolio-level risk control procedures and documentation requirements. Managers are required to measure and monitor exposure to counterparty credit risk. All counterparties must have commercial paper credit ratings of at least A1 or equivalent rating. The duration and other risk exposure limits specified in the managers' guidelines are expected to be satisfied on an ongoing basis. Investment managers are permitted to use such derivatives for hedging purposes, including cross-hedging of currency exposures, to replicate the risk/return profile of an asset or asset class, and to tactically change country exposure. Derivative securities such as "plain vanilla" collateralized mortgage obligations (CMOs) and structured notes are allowed. CMOs which are not "plain vanilla" are restricted to 5% of a manager's portfolio. Any use of derivatives not listed above is prohibited without written approval of the Board. At June 30, 2015, the ERS did not hold any derivatives. Gains and losses are determined based on quoted market values and recorded in the Statement of Changes in Net Position. The objective of Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments" is to enhance the usefulness and comparability of derivative instrument information reported by state and local governments.

The following uses of derivatives are prohibited:

- **Leverage.** Derivatives shall not be used to magnify exposure to an asset beyond that which would be allowed by the guidelines.
- **Unrelated Speculation.** Derivatives shall not be used to create exposures to securities, currencies, indices, or any other financial variable unless such exposures would be allowed by the manager's guidelines if created with non-derivative securities.

Typically, investment advisors enter into foreign exchange contracts to make payment for international investments. Foreign exchange contracts are agreements to exchange the currency of one country for the currency of another country at an agreed-upon price and settlement date. The investment advisor uses these contracts primarily for its

international investments to settle pending trades. To reduce the risk of counterparty nonperformance, the investment advisors generally enter into these contracts with institutions meeting high standards of credit worthiness. The realized and unrealized gain/loss on contracts is included in the ERS' net position and represents the fair value of the contracts on June 30, 2015. The ERS' contracts to purchase and sell by foreign currencies were as follows:

Foreign Exchange Contracts Settled as of June 30, 2015:

| Currency | Purchases | Realized Gain/(Loss) | Sells | Realized Gain/(Loss) |
|------------------------|--------------|-------------------------|--------------|-------------------------|
| Brazilian real | \$ 1,474,273 | \$ (14) | \$ (219,143) | \$ (58) |
| British pound sterling | 1,494,452 | 1,142 | (2,064,728) | 387 |
| Czech koruna | - | - | (112,643) | 245 |
| Euro | 1,818,115 | (2,152) | (1,851,940) | 7,599 |
| Hong Kong dollar | 159,499 | (5) | (1,319,396) | (144) |
| Indonesian rupiah | 873,206 | - | (92,469) | (18) |
| Japanese yen | - | - | (705,145) | (1,213) |
| New Taiwan dollar | 2,993,719 | - | (90,110) | - |
| Norwegian krone | 530,866 | 2,137 | (390,131) | (1,059) |
| Singapore dollar | 1,654,949 | (3,490) | (112,076) | (131) |
| South Korean won | - | - | (321,648) | 53 |
| Swedish krona | - | - | (161,321) | (29) |
| Swiss franc | 5 | - | (239,562) | (682) |
| Turkish lira | - | - | (196,810) | 1,419 |

Foreign Exchange Contracts Pending June 30, 2015:

There were no foreign exchange contracts pending as of June 30, 2015.

ERS's investments at June 30, 2015 were as follows:

| Investments | Fair Value |
|--|-----------------------|
| | 2015 |
| Common stock | \$ 441,762,994 |
| Preferred stock | 0 |
| Convertible equity | 0 |
| Venture Capital and Private Equity Partnerships | 83,006,017 |
| Government bonds | 13,018,407 |
| Government agencies | 7,838,516 |
| Provincial bonds | 336,924 |
| Corporate bonds | 54,819,205 |
| Corporate convertible bonds | 0 |
| Unit trust equity | 3,034 |
| Government mortgage-backed securities | 14,745,485 |
| Government-issued commercial mortgage-backed | 18,091 |
| Commercial mortgage-backed | 4,089,835 |
| Asset-backed securities | 4,327,799 |
| Index linked government bonds | 3,330,212 |
| Fixed income mutual funds | 83,533,128 |
| Real estate | 62,937,508 |
| Short term investment funds | 40,043,633 |
| Securities lending short term collateral investment pool | 33,103,308 |
| Total Investments | \$ 846,914,096 |

Money-Weighted Rate of Return- For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.70%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The ERS has investments that are subject to various risks. Among these risks are custodial credit risk, interest rate risk, credit risk, and foreign currency risk. Each one of these risks is discussed in more detail below.

Custodial Credit Risk - Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the ERS will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either a) the counterparty or b) the counterparty's trust department or agent but not in the government's name. The ERS requires that all investments be clearly marked as to ownership and to the extent possible, shall be registered in the name of the ERS.

Of the ERS' \$846.9 million in investments at June 30, 2015, \$33.1 million were cash collateral reinvestment securities acquired by the custodian, whom is also the lending agent/counterparty. This is consistent with the ERS' securities lending agreement in place with the custodian.

Interest Rate Risk – Each investment manager has duration targets and bands that control interest rate risk; however, the ERS has no policy relating to interest rate risk.

As of June 30, 2015, the ERS had the following fixed income investments and short term investments with the following maturities:

| Investment Type | Fair Value | Weighted Average Maturity-Years |
|--|-----------------------|--|
| Asset-backed securities | \$ 4,327,799 | 7.442397 |
| Commercial mortgage-backed | 4,089,835 | 28.183521 |
| Corporate bonds | 54,819,205 | 9.120076 |
| Government agencies | 7,838,516 | 10.742199 |
| Government bonds | 13,018,407 | 10.135437 |
| Government mortgage-backed securities | 14,745,485 | 22.719181 |
| Gov't-issued commercial mortgage-backed securities | 18,091 | 5.339000 |
| Index linked government bonds | 3,330,212 | 9.639879 |
| Provincial bonds | 336,924 | 24.942000 |
| Fixed income mutual funds | 83,533,128 | N/A |
| Short term investment funds | 36,932,802 | N/A |
| TOTAL | \$ 222,990,404 | 12.166453 |

Collateralized Mortgage Obligations - Collateralized Mortgage Obligations (CMOs) are a type of mortgage-backed security that creates several pools of pass-through rates for different classes of bonds, called tranches. The tranches have their own risk characteristics with varying maturities. These securities are based on cash flows from interest payments on underlying mortgages. Therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates. The repayments of principal and interest from the pass-through securities are used to retire the bonds in an established order of maturity. The ERS held no CMOs at June 30, 2015.

Asset-backed Securities – Asset-backed securities (ABS) are bond or notes backed by loan paper or accounts receivable originated by banks, credit card companies, or other providers of credit. The originator of the loan or accounts receivable paper sells it to a specially created trust, which repackages it as securities. Brokerage firms underwrite the securities and reoffer them to the public. ERS held \$4,327,799 in ABS at June 30, 2015.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit risk of a debt instrument is measured by a nationally recognized statistical rating agency such as Standard & Poor's Services. Individual manager guidelines require investment managers to follow certain controls, documentation and risk management procedures. Managers are required to measure and monitor exposure to counterparty credit risk; however, there is no formal policy relating to specific investment-related risk. All counterparties must have commercial paper credit ratings of at least A1 or equivalent rating.

Individual investment manager guidelines include limitations on the percentage of securities below investment grade and various types of securities including derivatives. A Derivatives Policy Statement identifies and allows common derivative investments and strategies which are consistent with the Statement of Investment Policy.

Credit Quality Ratings as of June 30, 2015:

| Credit Quality Distribution for Services | | % of Total Portfolio |
|---|-----|-----------------------------|
| Agency | AGY | 3.568% |
| Government Agencies | AA | 0.926% |
| Government Bonds | A | 0.014% |
| Government Bonds | BBB | 0.028% |
| Government Mortgage Backed Securities | AA | 0.001% |
| Government Mortgage Backed Securities | NR | 0.061% |
| Gov't-issued Commercial Mortgage-Backed | AA | 0.002% |
| Asset Backed Securities | AAA | 0.111% |
| Asset Backed Securities | AA | 0.063% |
| Asset Backed Securities | A | 0.033% |
| Asset Backed Securities | BBB | 0.035% |
| Asset Backed Securities | NR | 0.269% |
| Commercial Mortgage-Backed | AAA | 0.231% |
| Commercial Mortgage-Backed | BBB | 0.056% |
| Commercial Mortgage-Backed | NR | 0.196% |
| Corporate Bonds | AAA | 0.058% |
| Corporate Bonds | AA | 0.470% |
| Corporate Bonds | A | 1.148% |
| Corporate Bonds | BBB | 1.146% |
| Corporate Bonds | NR | 0.104% |
| Municipal/Provincial Bonds | AA | 0.040% |
| Other Fixed Income | NR | 1.039% |
| Funds - Corporate Bond | NR | 3.547% |
| Funds - Other Fixed Income | NR | 8.824% |
| Funds - Short Term Investment | NR | 4.361% |

Foreign Currency Risk – The ERS does not have a policy for foreign currency risk. Foreign currency is intentionally unhedged.

The ERS' exposure to foreign currency risk at June 30, 2015, was as follows:

| Investment Type | Currency | Fair Value |
|------------------------|------------------------|----------------------|
| Common Stock | Brazilian real | \$ 1,715,526 |
| Common Stock | British pound sterling | 8,319,912 |
| Common Stock | Czech koruna | 942,938 |
| Common Stock | Euro | 11,655,333 |
| Common Stock | Hong Kong dollar | 2,610,374 |
| Common Stock | Indonesian rupiah | 704,720 |
| Common Stock | Japanese yen | 7,777,837 |
| Common Stock | New Taiwan dollar | 2,803,944 |
| Common Stock | Norwegian krone | 4,548,798 |
| Common Stock | Singapore dollar | 1,659,502 |
| Common Stock | South Korean won | 3,135,323 |
| Common Stock | Swedish krona | 1,841,170 |
| Common Stock | Swiss franc | 2,486,694 |
| Common Stock | Turkish lira | 2,114,443 |
| Cash | Hong Kong dollar | 46,971 |
| Total | | \$ 52,363,485 |

Note: These schedules do not agree with the total international obligations and international equities as listed on the Statements of Fiduciary Net Position due to international obligations valued in U.S. dollars but classified as international.

Cash Received as Securities Lending Collateral

The following table details the net income from securities lending for the period ending June 30, 2015:

| | |
|-------------------------------|-------------------|
| Securities lending | \$ 117,312 |
| Plus security lending Income | <u>(15,358)</u> |
| Net securities lending income | <u>\$ 101,954</u> |

The ERS accounts for securities lending transactions in accordance with GASB No. 28 Accounting and Financial Reporting for Securities Lending Transactions, which established standards of accounting and financial reporting for securities lending transactions.

The Board of Trustees authorized the lending of fixed income securities, which activity is managed by the custodian bank. The Board of Trustees authorized a securities lending loan cap of 30% effective October 6, 2010 with an increase to 50% effective February 1, 2011. There were no violations of legal or contractual provisions, and no borrower or lending agent default losses known to the securities lending agent as of June 30, 2015.

Securities are loaned against collateral that may include cash, U.S. government securities, and irrevocable letters of credit. U.S. government securities are loaned against collateral valued at 102% of the market value of the securities plus any accrued interest. Non-U.S. government securities are loaned against collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Consequently, the non-cash collateral has not been reported as an asset or liability on the Statement of Net Position. All securities loans can be terminated on demand by either the lender or the borrower, although the average term of overall loans were approximately 180 days in 2015.

Cash open collateral is invested in a short term investment pool, the Core USA Collateral Section, which had an interest sensitivity of 26 days as of this statement date. Cash collateral may also be invested separately in "term loans", in which case the investments match the loan term. These loans can be terminated on demand by either lender or borrower. There are no dividends or coupon payments owing on the securities lent. Securities lending earnings are credited to the ERS' accounts on approximately the fifteenth day of the following month.

The custodian bank's responsibilities include performing appropriate borrower and collateral investment credit analyses, demanding adequate types and levels of collateral, and complying with applicable Department of Labor and Federal Financial Institutions Examination Council regulations concerning securities lending. Loss indemnification is provided when securities are not returned due to the insolvency of a borrower and the trustee bank fails to fulfill its contractual responsibilities relating to the lending of those securities to that borrower.

The following table presents the fair values of the underlying securities, and the value of the collateral pledged at June 30, 2015:

| Securities Lent | Fair Value | Cash Collateral Received* |
|-------------------------|----------------------|----------------------------------|
| Fixed income securities | \$ 12,322,969 | \$ 12,577,235 |
| Domestic equities | 16,837,814 | 17,177,238 |
| Global equities | 3,942,525 | 4,203,170 |
| Total | \$ 33,103,308 | \$ 33,957,643 |

*The securities collateral value is based on the ERS' pro rata share of the value of the securities collateral maintained at The Northern Trust Bank on the program wide collateralization levels.

Other Post-Employment Benefits (the "Trust") Cash and Investments

The trust participates in the Commission's pooled cash for payment of benefits, and had equity in pooled cash balance of \$619,216. Investments in mutual funds totaled \$44,671,516.

Investments - The Board of Trustees of the Trust ("Board") is authorized by the Trust Agreement dated July 1, 1999 and amended May 16, 2007 to invest and reinvest the Trust Fund. The Board is authorized to formulate investment policies, develop investment manager guidelines and objectives, and approve the retention of qualified advisors and investment managers. The target allocations as established by the Board for the authorized investment classes during fiscal year 2015 are as follows:

| <u>Asset Class</u> | <u>Maximum</u> |
|---------------------------|-----------------------|
| Equity Index Funds | 60% |
| Fixed Income | 40% |
| Cash and Equivalents | 10% |

On June 16, 2015 the Board authorized a change in investment classes to be implemented with the next contribution, as follows:

| <u>Asset Class</u> | <u>Maximum</u> |
|---------------------------|-----------------------|
| Equity Index Funds | 70% |
| Fixed Income | 10% |
| Diversified Assets | 10% |
| Real Estate | 10% |
| Cash and Equivalents | 10% |

The Trust's investments in mutual funds at June 30, 2015 were as follows:

| <u>Investment Type</u> | <u>Fair Value</u> |
|-------------------------------|--------------------------|
| Equity Index Fund | \$ 26,643,992 |
| Fixed Income | 18,027,524 |
| Total Investments | \$ 44,671,516 |

The Trust's fixed income investments at June 30, 2015 were as follows:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Weighted Average Maturity (Duration)</u> |
|-------------------------------------|----------------------|---|
| Fixed Allocation Funds | \$ 8,940,385 | 1.06 |
| Fixed Bond Fund | 9,087,139 | (0.11) |
| Total Fair Value | <u>\$ 18,027,524</u> | |
| Portfolio Weighted Average Maturity | | 0.41 |

Cash and investment balances are shown in the financial statements as follows:

Statement of Net Position

| | |
|---|----------------|
| Equity in Pooled Cash and Investments | \$ 364,425,703 |
| Restricted Cash, Cash Equivalents and Investments - Unspent Bonds Proceeds | 10,792,566 |

Statement of Net Position - Fiduciary Funds

| | |
|--|-------------------------|
| Equity in Pooled Cash and Investments - Pension Trust Funds | 619,216 |
| Equity in Pooled Cash and Investments - Private Purpose Trust Funds | 17,488,471 |
| Equity in Pooled Cash and Investments - Agency Funds | 1,020,304 |
| Cash and Marketable Securities - Pension Trust Funds | 858,549,236 |
| Collateral for Securities Lending Transactions - Pension Trust Funds | 33,103,308 |
| Total | <u>\$ 1,285,998,804</u> |

They are composed of:

| | |
|--|-------------------------|
| Cash in Banks of Commission | \$ 5,234,707 |
| Cash of Employees' Retirement System Pension Trust Fund | 66,932 |
| Cash in Other Post Employment Benefits Fund | - |
| Cash in Other Locations - Commission | 262,209 |
| Money Market Deposits of Commission | 95,852,048 |
| Money Market Deposits in Other Post Employment Benefits Fund | - |
| Certificates of Deposit of Commission | - |
| Fixed Income Securities In Commission's Investment Pool | 292,997,296 |
| Mutual funds in Other Post Employment Benefits Fund | 44,671,516 |
| Investments of Employees' Retirement System Pension Trust Fund | |
| Equity Investments | 441,766,028 |
| Fixed Income Securities | 186,057,602 |
| Real Estate | 62,937,508 |
| Venture Capital and Partnerships | 83,006,017 |
| Cash & Cash Equivalents | 40,043,633 |
| Collateral for Securities Lending Transactions | 33,103,308 |
| Total | <u>\$ 1,285,998,804</u> |

(B) Capital Assets

A summary of governmental activities capital assets at June 30, 2015 is as follows:

| | <u>July 1, 2014</u> | <u>Increases</u> | <u>Decreases</u> | <u>Transfers/ Contributions</u> | <u>June 30, 2015</u> |
|---|-----------------------|----------------------|---------------------|-------------------------------------|-----------------------|
| Capital assets not being depreciated | | | | | |
| Land | \$ 354,989,398 | \$ 14,647,334 | \$ - | \$ - | \$ 369,636,732 |
| Construction in progress | 212,415,712 | 41,781,412 | - | - | 254,197,124 |
| Total capital assets not being depreciated | <u>567,405,110</u> | <u>56,428,746</u> | <u>-</u> | <u>-</u> | <u>623,833,856</u> |
| Other capital assets, being depreciated | | | | | |
| Buildings and improvements | 210,552,804 | 1,166,379 | (757,610) | - | 210,961,573 |
| Infrastructure | 241,902,933 | 6,789,668 | (41,014) | - | 248,651,587 |
| Machinery, equipment and intangibles | 95,004,534 | 9,602,603 | (5,651,809) | - | 98,955,328 |
| Total other capital assets | <u>547,460,271</u> | <u>17,558,650</u> | <u>(6,450,433)</u> | <u>-</u> | <u>558,568,488</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings and improvements | (140,065,134) | (5,692,583) | 757,610 | - | (145,000,107) |
| Infrastructure | (137,187,472) | (5,316,109) | 41,014 | - | (142,462,567) |
| Machinery, equipment and intangibles | (68,728,969) | (6,095,971) | 5,481,062 | - | (69,343,878) |
| Total accumulated depreciation | <u>(345,981,575)</u> | <u>(17,104,663)</u> | <u>6,279,686</u> | <u>-</u> | <u>(356,806,552)</u> |
| Total other capital asset, net | <u>201,478,696</u> | <u>453,987</u> | <u>(170,747)</u> | <u>-</u> | <u>201,761,936</u> |
| Governmental activities capital assets, net | <u>\$ 768,883,806</u> | <u>\$ 56,882,733</u> | <u>\$ (170,747)</u> | <u>\$ -</u> | <u>\$ 825,595,792</u> |

Summaries of business-type activities capital assets at June 30, 2015, made up of two major enterprise funds, are as follows:

| | <u>July 1, 2014</u> | <u>Increases</u> | <u>Decreases</u> | <u>Transfers</u> | <u>June 30, 2015</u> |
|---|----------------------|-----------------------|--------------------|------------------|----------------------|
| <u>Montgomery County Enterprise Fund</u> | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land | \$ 11,584,468 | \$ - | \$ - | \$ - | \$ 11,584,468 |
| Construction in progress | 247,036 | 637,422 | - | - | 884,458 |
| Total capital assets not being depreciated | <u>11,831,504</u> | <u>637,422</u> | <u>-</u> | <u>-</u> | <u>12,468,926</u> |
| Capital assets being depreciated | | | | | |
| Buildings and improvements | 27,135,692 | 26,476 | - | - | 27,162,168 |
| Infrastructure | - | 19,535 | - | - | 19,535 |
| Machinery, equipment and intangibles | 2,167,709 | 320,655 | (15,963) | - | 2,472,401 |
| Total capital assets being depreciated | <u>29,303,401</u> | <u>366,666</u> | <u>(15,963)</u> | <u>-</u> | <u>29,654,104</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings and improvements | (19,935,360) | (1,132,951) | - | - | (21,068,311) |
| Infrastructure | - | (488) | - | - | (488) |
| Machinery, equipment and intangibles | (1,532,487) | (108,164) | 13,350 | - | (1,627,301) |
| Total accumulated depreciation | <u>(21,467,847)</u> | <u>(1,241,603)</u> | <u>13,350</u> | <u>-</u> | <u>(22,696,100)</u> |
| Total capital assets being depreciated, net | <u>7,835,554</u> | <u>(874,937)</u> | <u>(2,613)</u> | <u>-</u> | <u>6,958,004</u> |
| Capital assets, net | <u>\$ 19,667,058</u> | <u>\$ (237,515)</u> | <u>\$ (2,613)</u> | <u>\$ -</u> | <u>\$ 19,426,930</u> |
| <u>Prince George's County Enterprise Fund</u> | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land | \$ 7,779,131 | \$ - | \$ - | \$ - | \$ 7,779,131 |
| Capital assets being depreciated: | | | | | |
| Buildings and improvements | 72,340,644 | 7,679 | - | - | 72,348,323 |
| Machinery, equipment and intangibles | 5,827,817 | 184,962 | (1,058,745) | - | 4,954,034 |
| Total capital assets being depreciated | <u>78,168,461</u> | <u>192,641</u> | <u>(1,058,745)</u> | <u>-</u> | <u>77,302,357</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings and improvements | (36,357,381) | (2,052,650) | - | - | (38,410,031) |
| Machinery, equipment and intangibles | (4,231,525) | (610,146) | 1,058,744 | - | (3,782,927) |
| Total accumulated depreciation | <u>(40,588,906)</u> | <u>(2,662,796)</u> | <u>1,058,744</u> | <u>-</u> | <u>(42,192,958)</u> |
| Total capital assets being depreciated, net | <u>37,579,555</u> | <u>(2,470,155)</u> | <u>(1)</u> | <u>-</u> | <u>35,109,399</u> |
| Capital assets, net | <u>\$ 45,358,686</u> | <u>\$ (2,470,155)</u> | <u>\$ (1)</u> | <u>\$ -</u> | <u>\$ 42,888,530</u> |
| Total Business-type activities | <u>\$ 65,025,744</u> | <u>\$ (2,707,670)</u> | <u>\$ (2,614)</u> | <u>\$ -</u> | <u>\$ 62,315,460</u> |

Depreciation expense was charged to functions/programs of the Commission as follows:

Governmental Activities:

| | |
|--|----------------------|
| General Government | \$ 398,388 |
| County Planning and Zoning | 474,592 |
| Park Operations and Maintenance | 14,185,021 |
| Recreation Programs | 2,046,662 |
| Total depreciation expense - governmental activities | <u>\$ 17,104,663</u> |

Total depreciation expense - business-type activities:

| | |
|--------------------------------------|---------------------|
| Recreational and Cultural Facilities | <u>\$ 3,904,399</u> |
|--------------------------------------|---------------------|

Construction Commitments - The Commission is committed to \$71,515,652 for construction contracts for work to be performed in subsequent years.

(C) Interfund Receivables, Payables, and Transfers

The Commission had one interfund receivable and payable balance at June 30, 2015. The Montgomery County Capital Projects Fund has a payable balance of \$10,808,321 to the Montgomery County Parks Fund. The short term borrowing is to remove a cash shortfall in the Capital Projects Fund.

The Commission had the following interfund transfers during fiscal year 2015:

| Interfund Transfers: | General | Montgomery County Capital Projects | Prince George's County Capital Projects | Non-major Governmental Funds | Proprietary Funds | Total |
|---------------------------------------|----------------------|------------------------------------|---|------------------------------|---------------------|----------------------|
| Transfers In | | | | | | |
| General Fund - Administration Account | \$ - | \$ - | \$ - | \$ 30,000 | \$ - | \$ 30,000 |
| General Fund - Park Account | 1,100,000 | 350,000 | 16,155,000 | 15,555,115 | - | 33,160,115 |
| General Fund - Recreation Account | - | - | - | - | 9,725,804 | 9,725,804 |
| Special Revenue Fund | - | - | 30,000 | - | - | 30,000 |
| Capital Projects | 185,901 | - | - | - | - | 185,901 |
| Total Transfers In | <u>\$ 1,285,901</u> | <u>\$ 350,000</u> | <u>\$ 16,185,000</u> | <u>\$ 15,585,115</u> | <u>\$ 9,725,804</u> | <u>\$ 43,131,820</u> |
| Transfers Out | | | | | | |
| General Fund - Administration Account | \$ 1,100,000 | \$ - | \$ - | \$ - | \$ - | \$ 1,100,000 |
| General Fund - Park Account | - | 27,383 | 158,518 | - | - | 185,901 |
| Debt Service Fund | 15,531,572 | - | - | - | - | 15,531,572 |
| Capital Projects | 16,505,000 | - | - | 30,000 | - | 16,535,000 |
| Special Revenue Fund | 53,543 | - | - | - | - | 53,543 |
| Enterprise Fund | 9,725,804 | - | - | - | - | 9,725,804 |
| Total Transfers Out | <u>\$ 42,915,919</u> | <u>\$ 27,383</u> | <u>\$ 158,518</u> | <u>\$ 30,000</u> | <u>\$ -</u> | <u>\$ 43,131,820</u> |

A majority of the transfers were used to provide funding for the Debt Service Fund for Park Acquisition and Development Bonds (\$15,531,572) and current funding for Capital Projects (\$16,505,000)

Proprietary fund transfers are made up of the following:

| Interfund Transfers: | Prince George's County Enterprise Fund | Total Proprietary Funds |
|-----------------------------------|--|-------------------------|
| Transfers In | | |
| General Fund - Recreation Account | 9,725,804 | 9,725,804 |
| Total Transfers In | <u>\$ 9,725,804</u> | <u>\$ 9,725,804</u> |

The Commission's policy is to account for the construction of Prince George's County Enterprise Fund assets in the Capital Projects Fund until completed. Once completed, the assets are transferred from Governmental Activities Capital Assets and capitalized in the Prince George's County Enterprise Fund.

In addition to the above transfers, tax revenues of \$1,467,000 not needed to pay current debt service were contributed by the Montgomery County Advanced Land Acquisition Debt Service Fund to the Montgomery County Advanced Land Acquisition Account in the Private Purpose Trust Funds.

(D) Operating Leases

The Commission is committed under several operating leases for office space and office equipment expiring at various dates through 2016. Each agreement provides for termination in the event of nonappropriation of funds.

Future minimum commitments under operating leases at June 30, 2015 are as follows (\$000's):

| <u>Year Ending June 30</u> | <u>Total</u> | <u>Montgomery County</u> | <u>George's County</u> |
|------------------------------|-----------------|------------------------------|----------------------------|
| 2016 | \$ 2,801 | \$ 273 | \$ 2,528 |
| 2017 | 1,983 | 273 | 1,710 |
| 2018 | 2,005 | 273 | 1,732 |
| 2019 | 1,956 | 273 | 1,683 |
| 2020 | 1,123 | 273 | 850 |
| Total minimum lease payments | <u>\$ 9,868</u> | <u>\$ 1,365</u> | <u>\$ 8,503</u> |

In fiscal year 2015, expenditures in the General Fund included \$1,609,084 relating to the rental of office space and \$1,452,341 relating to rental and other charges for rented equipment.

(E) Long-Term Obligations

General Obligation Bonds - The Commission is authorized to issue general obligation bonds for the acquisition of park land and the development of parks and recreational facilities, designated as Park Acquisition and Development Bonds ("Park Bonds"); to provide resources for advance land acquisition for highways, schools and other public purposes, designated as Advance Land Acquisition Bonds ("Advance Land Bonds" or "ALA"); and to refund both Park and Advance Land Bonds. The general obligation bonds are issued on the full faith and credit of the Commission and the county for which the bonds are issued.

Mandatory taxes of 3.6 cents per \$100 of real property assessed valuation (9 cents for personal property) in Montgomery County and at least 4 cents per \$100 of real property assessed valuation (10 cents for personal property) in Prince George's County are required by the Land Use Article of the Annotated Code of Maryland, Sections 15-115 and 15-116 to be levied in the Metropolitan District in the respective counties for the payment of Park Bond debt service. In 2015, debt service payments approximated 0.32 cents per \$100 of real property and 0.80 cents per \$100 of personal property for Montgomery County and 1.42 cents for real property and 3.55 cents for personal property for Prince George's County. The remainder of the proceeds of the mandatory taxes was used for operating and maintaining the park system of the respective counties.

The Advance Land Bonds are payable from limited annual ad valorem property taxes which are levied by the respective county on all property assessed for the purpose of county taxation.

The debt service requirements to maturity for general obligation bonds, for each of the subsequent five years and in five-year increments thereafter is as follows (000's):

Montgomery County General Obligation Bonds

| Fiscal Year | Governmental Activities | | | | | |
|----------------|-------------------------|------------------|------------------|-----------------|---------------|-----------------|
| | Total Park | Total Park | Total Park | Total ALA | Total ALA | Total ALA |
| | Principal | Interest | Payments | Principal | Interest | Payments |
| 2016 | \$ 2,745 | \$ 1,389 | \$ 4,134 | \$ 120 | \$ 45 | \$ 165 |
| 2017 | 2,815 | 1,297 | 4,112 | 120 | 40 | 160 |
| 2018 | 2,925 | 1,203 | 4,128 | 120 | 36 | 156 |
| 2019 | 2,990 | 1,094 | 4,084 | 120 | 31 | 151 |
| 2020 | 2,645 | 979 | 3,624 | 120 | 27 | 147 |
| 2021-2025 | 11,495 | 3,457 | 14,952 | 600 | 62 | 662 |
| 2026-2030 | 8,800 | 1,625 | 10,425 | - | - | - |
| 2031-2035 | 5,715 | 348 | 6,063 | - | - | - |
| Totals | <u>\$ 40,130</u> | <u>\$ 11,392</u> | <u>\$ 51,522</u> | <u>\$ 1,200</u> | <u>\$ 241</u> | <u>\$ 1,441</u> |

Prince George's County General Obligation Bonds

| Fiscal Year | Governmental Activities | | | Total Commission General Obligation Bonds Principal & Interest |
|----------------|-------------------------|------------------|------------------|---|
| | Total Park | Total Park | Total Park | |
| | Principal | Interest | Payments | |
| 2016 | \$ 7,568 | \$ 2,150 | \$ 9,718 | \$ 14,017 |
| 2017 | 7,777 | 1,856 | 9,633 | 13,905 |
| 2018 | 5,681 | 1,552 | 7,233 | 11,517 |
| 2019 | 3,815 | 1,367 | 5,182 | 9,417 |
| 2020 | 3,810 | 1,222 | 5,032 | 8,803 |
| 2021-2025 | 13,305 | 4,111 | 17,416 | 33,030 |
| 2026-2030 | 8,430 | 1,979 | 10,409 | 20,834 |
| 2031-2035 | 7,150 | 611 | 7,761 | 13,824 |
| Totals | <u>\$ 57,536</u> | <u>\$ 14,848</u> | <u>\$ 72,384</u> | <u>\$ 125,347</u> |

Outstanding General Obligation Bonds - General obligation bonds outstanding at June 30, 2015, consist of the following individual issues (000's):

| <u>Series</u> | <u>Effective Interest Rate at Date of Sale</u> | <u>Dated</u> | <u>Final Maturity Date</u> | <u>FY 2016 Serial Payment</u> | <u>Original Issue</u> | <u>Outstanding at June 30, 2015</u> |
|---|--|--------------|----------------------------|-------------------------------|-----------------------|-------------------------------------|
| Montgomery County | | | | | | |
| Park Acquisition and Development Bonds | | | | | | |
| Series FF-2 | 3.8457 | 11/15/04 | 12/01/24 | \$ 240 | \$ 4,000 | \$ 720 |
| Series I I-2 | 3.9651 | 03/15/07 | 04/01/27 | 185 | 4,700 | 3,220 |
| Series LL-2 Advance and Current Refunding | 2.4059 | 05/21/09 | 11/01/20 | 885 | 8,405 | 4,440 |
| Series MM-2 | 3.4803 | 05/21/09 | 11/01/28 | 210 | 5,250 | 3,990 |
| Series MC-2012A (Note 1) | 2.8695 | 04/05/12 | 12/01/32 | 605 | 12,505 | 11,505 |
| Series MC-2012B | 3.5622 | 04/05/12 | 12/01/32 | 125 | 3,000 | 2,755 |
| Series MC-2014A | 2.8633 | 06/17/14 | 12/01/33 | 495 | 14,000 | 13,500 |
| | | | | <u>2,745</u> | <u>51,860</u> | <u>40,130</u> |
| Advance Land Acquisition Bonds | | | | | | |
| ALA Bonds of 2004 Series | 3.8457 | 11/15/04 | 12/01/24 | 120 | 2,000 | 1,200 |
| | | | | <u>120</u> | <u>2,000</u> | <u>1,200</u> |
| Total Montgomery County General Obligation Bonds | | | | <u>\$ 2,865</u> | <u>\$ 53,860</u> | <u>\$ 41,330</u> |
| Prince George's County | | | | | | |
| Park Acquisition and Development Bonds | | | | | | |
| Series EE-2 (Note 1) | 3.2824 | 03/15/04 | 01/15/24 | \$ 2,315 | \$ 37,525 | \$ 4,620 |
| Series JJ-2 | 4.3180 | 05/15/07 | 05/01/27 | 355 | 8,900 | 6,060 |
| Series KK-2 Current Refunding | 3.2004 | 04/10/08 | 05/01/18 | 1,798 | 17,300 | 5,481 |
| Series NN-2 Advance Refunding | 2.4212 | 03/04/10 | 05/01/21 | 1,215 | 14,080 | 8,080 |
| Series PG2012A Advance and Current Refun | 1.8735 | 06/21/12 | 01/15/24 | 940 | 11,420 | 8,000 |
| Series PG2014A | 3.0409 | 05/01/14 | 01/15/34 | 945 | 26,565 | 25,295 |
| Total Prince George's County General Obligation Bonds | | | | <u>\$ 7,568</u> | <u>\$ 115,790</u> | <u>\$ 57,536</u> |

Notes: (1) The CC-2 and EE-2 Bonds include Advance Refunding and Park Acquisition and Development Project Bonds.

Changes in Long-term Liabilities – Changes in long-term liabilities for the year ended June 30, 2015, were as follows:

| Governmental activities: | Beginning Balance | Additions | Reductions | Ending Balance | Amount Due in One Year |
|---|-----------------------|-----------------------|----------------------|-----------------------|---------------------------|
| <u>Montgomery County</u> | | | | | |
| General Obligation Park Bonds Payable | \$ 43,425,000 | \$ - | \$ 3,295,000 | \$ 40,130,000 | \$ 2,745,000 |
| General Obligation ALA Bonds Payable | 1,430,000 | - | 230,000 | 1,200,000 | 120,000 |
| Premiums on Bonds Issued | 1,190,813 | - | (143,133) | 1,333,946 | - |
| Accrued Compensated Absences | 7,915,361 | 5,496,542 | 5,067,184 | 8,344,719 | 5,067,183 |
| Net Other Post Employment Benefit Obligations | 27,405,459 | 1,917,676 | - | 29,323,135 | - |
| Net Pension Liability | 3,793,888 | 51,177,269 | 210,244 | 54,760,913 | - |
| Long-term Liabilities | <u>85,160,521</u> | <u>58,591,487</u> | <u>8,659,295</u> | <u>135,092,713</u> | <u>7,932,183</u> |
| <u>Prince George's County</u> | | | | | |
| General Obligation Park Bonds Payable | 66,106,148 | - | 8,569,850 | 57,536,298 | 7,568,171 |
| Premiums on Bonds Issued | 1,173,999 | - | (150,136) | 1,324,135 | - |
| Accrued Compensated Absences | 11,518,914 | 6,743,383 | 6,390,888 | 11,871,409 | 6,390,888 |
| Net Other Post Employment Benefit Obligations | 37,697,309 | 2,580,286 | - | 40,277,595 | - |
| Net Pension Liability | 5,041,035 | 68,190,911 | 210,244 | 73,021,702 | - |
| Long-term Liabilities | <u>121,537,405</u> | <u>77,514,580</u> | <u>15,020,846</u> | <u>184,031,139</u> | <u>13,959,059</u> |
| Total Long-term Liabilities | <u>\$ 206,697,926</u> | <u>\$ 136,106,067</u> | <u>\$ 23,680,141</u> | <u>\$ 319,123,852</u> | <u>\$ 21,891,242</u> |
| Business type activities: | | | | | |
| | Beginning Balance | Additions | Reductions | Ending Balance | Amount Due in One Year |
| <u>Montgomery County</u> | | | | | |
| Accrued Compensated Absences | \$ 273,032 | \$ 172,979 | \$ 156,352 | \$ 289,659 | \$ 156,353 |
| Net Other Post Employment Benefit Obligations | 616,398 | 44,619 | - | 661,017 | - |
| Net Pension Liability | 99,384 | 1,364,859 | - | 1,464,243 | - |
| Long-term Liabilities | <u>988,814</u> | <u>1,582,457</u> | <u>156,352</u> | <u>2,414,919</u> | <u>156,353</u> |
| <u>Prince George's County</u> | | | | | |
| Accrued Compensated Absences | 680,756 | 258,134 | 274,119 | 664,771 | 274,118 |
| Net Other Post Employment Benefit Obligations | 2,324,514 | 141,686 | - | 2,466,200 | - |
| Net Pension Liability | 298,195 | 2,910,894 | - | 3,209,089 | - |
| Long-term Liabilities | <u>3,303,465</u> | <u>3,310,714</u> | <u>274,119</u> | <u>6,340,060</u> | <u>274,118</u> |
| Total Long-term Liabilities | <u>\$ 4,292,279</u> | <u>\$ 4,893,171</u> | <u>\$ 430,471</u> | <u>\$ 8,754,979</u> | <u>\$ 430,471</u> |

Long-term obligations are shown in the Statement of Net Position as follows:

| | Governmental Activities | Business Type Activities | Total |
|---|----------------------------|-----------------------------|-----------------------|
| Compensated Absences: | | | |
| Due within One Year | \$ 11,458,071 | \$ 430,471 | \$ 11,888,542 |
| Due in more than One Year | 8,758,057 | 523,959 | 9,282,016 |
| Bonds and Notes Payable: | | | |
| Due within One Year | 10,433,171 | - | 10,433,171 |
| Due in more than One Year | 91,091,208 | - | 91,091,208 |
| Net Other Post employment Benefit Obligations | | | |
| Due in more than One Year | 69,600,730 | 3,127,217 | 72,727,947 |
| Net Pension Obligations | 127,782,615 | 4,673,332 | 132,455,947 |
| Total Long-term Liabilities | <u>\$ 319,123,852</u> | <u>\$ 8,754,979</u> | <u>\$ 327,878,831</u> |

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of governmental activities. For the governmental activities, claims and judgments, compensated absences, net pension obligations and net other post-employment benefits obligations are generally liquidated by the General Fund.

(5) – OTHER INFORMATION

(A) Risk Management

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission protects against unforeseen losses through self-insurance and commercial insurance coverages. Self-insurance and some commercial insurance policies are administered through the Montgomery County Self-Insurance Fund (the "Program"), of which the Commission is a participant. The "Program" is beneficial for the purpose of economic pooling of risks and resources, and providing claims administration. Self-insured coverage is available for workers' compensation (Maryland state mandatory limits), comprehensive general liability (Maryland Tort caps apply), police professional, public official liability, and property and fire damage (up to \$250,000). Commercial insurance policies are retained for boiler and machinery damage, and data processing system breakdown, property and fire damage above \$250,000, excess liability and commercial crime coverage. The Commission is responsible for reimbursing the Program, the full amount of all self-insured claims with the exception of property loss claims which are limited to \$250,000 reimbursement after which point, group commercial insurance policies provide protection. Outside the "Program" coverages, the Commission also carries Public Official bond coverage, airport liability coverage, airport museum coverages, and other coverages for specialized needs. The Commission did not pay any claim settlements in excess of \$250,000 in fiscal years 2013, 2014 or 2015. No insurance coverages were reduced in fiscal year 2015.

The Commission's employees and retirees have various options in their selection of health insurance benefits. The Commission self-insures the following medical plans: two exclusive provider organizations (EPO) which is a Health Maintenance Organization (HMO) without a PCP as a gatekeeper, a point of service (POS), and a Medicare complement plan (retirees and employees on long term disability with Medicare only), as well as the prescription drug plan. All other group health insurance plans are fully insured including a dental plan and a vision plan with three coverage options. The Commission expenses (net of employee, Medicare Part D and retiree contributions) were for all group health benefits in fiscal year 2015. The basis for estimating incurred but not reported (IBNR) claims at year-end is an annual analysis performed by the plans' administrators.

Premiums are paid into the Risk Management Internal Service Fund by the General Fund and Enterprise Funds and are available to pay claims, claim reserves and administrative costs of the Program. Claims paid during fiscal year 2015 totaled \$3,748,562. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for IBNR claims which is determined annually based on an actuarial valuation. In addition, individual claim liabilities are established for each case based on the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. Changes in the balances of claims liabilities during the past two years are as follows:

| | <u>Medical</u> | <u>Risk Management</u> |
|-----------------------------------|----------------------------|-----------------------------|
| Unpaid Claims, June 30, 2013 | \$ 1,239,541 | \$ 16,703,669 |
| Incurred Claims, Fiscal Year 2014 | 18,892,682 | (173,335) |
| Claims Paid, Fiscal Year 2014 | <u>(18,853,619)</u> | <u>(3,610,969)</u> |
| Unpaid Claims, June 30, 2014 | 1,278,604 | 12,919,365 |
| Incurred Claims, Fiscal Year 2015 | 23,140,585 | 6,308,425 |
| Claims Paid, Fiscal Year 2015 | <u>(22,832,380)</u> | <u>(3,744,162)</u> |
| Unpaid Claims, June 30, 2015 | <u><u>\$ 1,586,809</u></u> | <u><u>\$ 15,483,628</u></u> |

The medical column excludes expenses that are fully insured.

Unpaid claims reconcile to the amounts shown in the Statement of Net Position as follows:

| | <u>Medical</u> | <u>Risk Management</u> | <u>Total</u> |
|---------------------------|----------------------------|-----------------------------|-----------------------------|
| Due within One Year | \$ 1,586,809 | \$ 3,901,029 | \$ 5,487,838 |
| Due in more than One Year | - | 11,582,599 | 11,582,599 |
| Total | <u><u>\$ 1,586,809</u></u> | <u><u>\$ 15,483,628</u></u> | <u><u>\$ 17,070,437</u></u> |

(B) Related Party Transactions

The Commission was involved in the following related party transactions during fiscal year 2015:

Payments and Obligations to Prince George's County - The Commission paid or is obligated to pay Prince George's County for the following:

| | |
|---|-----------------------------|
| Reimbursements to County Council for planning, zoning, and audio/visual (Comm. Ofc) | \$ 1,137,300 |
| Dept. of Environ. Resources Zoning Enforcement and Inspection of New Construct. | 1,761,900 |
| Property Tax Collection Fees | 78,500 |
| Office Space Rental at the County Administrative Building | 839,211 |
| Geographic Information Systems - GIS | 340,500 |
| Peoples Zoning Counsel (Stan Derwin Brown) | 250,000 |
| Department of Environmental Resources - Water and Sewer Planning | 155,300 |
| Economic Development for Enterprise Zone | 65,000 |
| EDC - General Plan Goals | 316,800 |
| Permits & Inspection for M-NCPPC-DER | 1,816,200 |
| Permits & Inspection & Permitting - DPW&T | 929,800 |
| Redevelopment Authority | 844,500 |
| Property Tax Collection Fees (Parks & Recreation) | 344,900 |
| Clean Up, Green Up Program (Green to Greatness)- Tree Planting | 225,000 |
| Prince George's Community College -Park Police Security | 300,000 |
| Prince George's Community College -Outreach Facilities | 300,000 |
| Prince George's Community College -Team Building Program | 100,000 |
| Prince George's County - Police Department | 36,800 |
| Prince George's County - Library Recreation Program | 2,712,770 |
| Total (1) | <u><u>\$ 12,554,481</u></u> |

(1) Of this amount, \$11,420,931 is in Accounts Payable at June 30, 2015.

(C) Contingencies

Grant Program – The Commission, as grantee or subgrantee, participates in several Federal and State grant programs, which are subject to financial and compliance audits. The Commission believes it has complied, in all material respects, with applicable grant requirements and the amount of expenditures that may be disallowed by the granting agencies, if any, would be immaterial.

Litigation – The Commission is a defendant in various legal actions that fall into three major categories – those arising from the Commission’s planning and zoning powers, those arising from incidents occurring on the Commission property and those arising from personnel actions. The Commission’s management and its General Counsel estimate that the resolution of claims resulting from all litigation against the Commission not covered by insurance will not materially affect the financial position or operations of the Commission.

(D) Employees’ Retirement System and Pension Plans

Defined Benefit Pension Plan

General Information about the Plan

Plan Description - The Commission contributes to The Maryland-National Capital Park and Planning Commission Employees’ Retirement System (the System), a single-employer defined benefit public employee retirement plan. Benefit provisions and obligations to contribute to the plans and all other requirements are established by a Trust Agreement between the Commission and the Board of Trustees of the System which has been periodically amended since the System was established July 1, 1972. Accounting and financial reporting for the system is performed by non-Commission employees who are employed directly by the System. The System’s financial records are not maintained on a separate county basis. The assets of the System are invested with the objective of ensuring sufficient funds will be available for meeting benefit payments. As the System’s investment asset pool provides collectively for benefit payments of all five plans, the System is considered a single “pension plan” for purposes of financial reporting in accordance with GAAP. Publicly available Financial Statements that include management’s discussion and analysis, financial statements and required supplementary information for the System can be obtained at the administrative offices of The Maryland-National Capital Park and Planning Commission Employees’ Retirement System, 6611 Kenilworth Avenue, Suite 100, Riverdale, Maryland 20737.

Benefits Provided – Benefit payments for Plans A, B, C, and D are determined by the application of a benefit formula considering the average of an employee’s annual base pay during the three consecutive years that produce the highest total earnings prior to retirement, and the number of years of credited service, up to 40 years for members of Plan A, 35 years for members of Plan B, 30 years for members of Plan C and 32 years for members of Plan D. Benefit payments in Plan E are determined by application of a benefit formula considering the average of an employee’s annual base pay during the five consecutive years that produce the highest total earnings prior to retirement and credited service up to 35 years. Under certain conditions, participants may elect to take early retirement at a reduced benefit level. Joint and survivor options are also available under all the plans.

Prior to August 1, 1982, disability benefits were available under the plans. Effective August 1, 1982, applications for disability retirement benefits were discontinued. All members who were receiving disability benefits, or who applied for disability benefits prior to August 1, 1982, continue to be covered under the terms of Plans A, B, and C. All applications for disability benefits subsequent to August 1, 1982, are covered under the Commission’s Long-Term Disability Insurance Plan, which is not part of the System.

On July 1 each year, retirement income for participants retired at least six months is adjusted for changes in the cost-of-living as determined by the Consumer Price Index-All Items Annual Average, Urban Index for Major U. S. Cities (CPI). Plans A, B, C and D provide COLAS at 100% of the change in the CPI up to 3%, plus half of the change in the CPI in excess of 3%, up to a 5% maximum COLA for the portion of a member’s benefit attributable to credited service earned prior to July 1, 2012, including earned and unused sick leave prior to January 1, 2013. The portion of a member’s benefit attributable to credited service earned after July 1, 2012, including earned and unused sick leave on and after January 1, 2013, will be subject to a maximum COLA of 2.5%. Plan E provides COLAs at 100% of the change in the CPI up to a maximum COLA of 2.5%.

Effective July 9, 1986, the plans were amended to provide a \$10,000 post-retirement death benefit to beneficiaries of current and future retired members.

Effective September 1, 1988, the plans were amended to permit members to use up to a maximum of 301 days of earned and unused sick leave to meet the length of service requirements for retirement qualification.

Although the Commission has not expressed any intent to terminate the Plans, it may do so at any time. In the event that the Plans are terminated, beneficiaries receiving benefits at the date of termination shall be entitled to an allocation of the remaining assets based upon the relationship of each individual's actuarial reserve to total actuarial reserves, the balance to be allocated (pro rata) to the remaining members or beneficiaries.

Employees Covered by Benefit Terms – As of July 1, 2014, membership in the System was as follows:

| | |
|--------------------|-------|
| Active | 2,070 |
| Retired | 1,272 |
| Terminated Vested | 244 |
| Total Participants | 3,586 |

Contributions – The Commission has agreed to make actuarially determined periodic contributions sufficient to provide the ERS with assets for payment of pension benefits. The rate for the Commission's employee group as a whole is expected to remain level as a percentage of annual covered payroll. The contribution rate is based on current service cost plus amortization of the unfunded actuarial accrued liability.

Active plan members in Plan A are required to contribute 7% of their base pay. Plan B members contribute 4% of their base pay up to the maximum Social Security Wage Base and 7% in excess of the maximum Social Security Wage Base for the calendar year. Plan C members contribute 8.5% of their base pay and Plan D members contribute 7.5% of their base pay. Plan E members contribute 4% of their base pay up to the maximum Social Security Wage Base and 8% in excess of the maximum Social Security Wage Base for the calendar year.

Net Pension Liability

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014.

Actuarial Assumptions – The total pension liability of the Defined Benefit Pension Plan was determined by an actuarial valuation as of July 1, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation: 2.80%
- Salary Increases: 2.80% plus service based increases
- Investment Return: 7.3%, net of investment expense and including inflation

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality table projected to 2010, with generational adjustments for mortality improvements based on Scale AA factors. An alternative table was used for the valuation of disabled members.

A Post Retirement Cost of Living Adjustment of 3.0% was made for benefits based on credited service accrued until July 1, 2012, and sick leave accrued until January 1, 2013; a 2.5% adjustment for benefits accrued thereafter.

The total pension liability as of June 30, 2015 is equal to the July 1, 2014 Entry Age actuarial accrued liability, adjusted for total normal cost, one year of interest, and reduced by benefits paid during the year, adjusted by one half year of interest.

The following change in actuarial assumptions was made since the prior valuation:

- The investment return assumption was changed from 7.4% to 7.3% with a corresponding decrease in the salary scale assumption by .01%

Employer contributions are determined annually, based on an annual valuation of the System. The Entry Age cost method is used for this purpose, with a 15 year open amortization of the unfunded actuarial liability, and a five year smoothing of investment gains and losses.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. This is then modified through a Monte-Carl process, by which a (downward) risk adjustment is applied to the baseline expected return.

These best estimates for each major asset class included in the System’s target asset allocation are summarized in the table below.

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|---|--------------------------|---|
| Domestic Equity | 23.00% | 5.80% |
| International Equity - Developed | 13.00% | 5.90% |
| International Equity - Emerging | 10.00% | 6.70% |
| Fixed Income & Bank Loans - U.S. | 14.00% | 2.10% |
| Fixed Income - U.S. High Yield | 7.50% | 4.00% |
| Fixed Income - International | 7.50% | 2.50% |
| Public Real Assets | 5.00% | 2.40% |
| Private Equity | 5.00% | 7.80% |
| Private Real Assets | 15.00% | 4.10% |
| Cash | 0.00% | 0.80% |
| Total Weighted Average Real Return | 100.00% | 4.68% |
| | | |
| Plus Inflation | | 2.80% |
| Total Return without Adjustment | | 7.48% |
| Risk Adjustment | | -0.18% |
| Total Expected Investment Return | | 7.30% |

Discount Rate – The discount rate used to measure the total pension liability was 7.3%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Commission contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Therefore, the long-term expected rates of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

| | Increase (Decrease) | | |
|---|--------------------------------|------------------------------------|------------------------------------|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
| Balances at June 30, 2014 | \$ 869,431,917 | \$ 796,135,587 | \$ 73,296,330 |
| Changes for the year: | | | |
| Service cost | 19,015,744 | - | 19,015,744 |
| Interest | 64,188,829 | - | 64,188,829 |
| Differences between expected and actual experience | 610,807 | - | 610,807 |
| Changes in assumptions | 9,147,692 | - | 9,147,692 |
| Benefit Payment, including refunds | (40,382,818) | (40,382,818) | - |
| Contributions - Employer | - | 28,149,976 | (28,149,976) |
| Contributions - Employee | - | 6,339,732 | (6,339,732) |
| Net Investment Income | - | 3,340,520 | (3,340,520) |
| Administrative expenses | - | (1,587,371) | 1,587,371 |
| Net changes | 52,580,254 | (4,139,961) | 56,720,215 |
| Balances at June 30, 2015 | <u>\$ 922,012,171</u> | <u>\$ 791,995,626</u> | <u>\$ 130,016,545</u> |

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following table presents the net pension liability of the Commission, calculated using the discount rate of 7.3%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate.

| | 1% Decrease | Current Discount Rate | 1% Increase |
|-------------------------|---------------|--------------------------|-------------|
| | 6.30% | 7.30% | 8.30% |
| Total Pension Liability | 1,041,071,272 | 922,012,171 | 815,933,403 |
| Plan Net Position | 791,995,626 | 791,995,626 | 791,995,626 |
| Net Pension Liability | 249,075,646 | 130,016,545 | 23,937,777 |

Pension Expense and Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions – For the year ended June 30, 2015, the Commission recognized pension expense of \$32,213,289. As of June 30, 2015, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Net difference between projected and actual earnings on pension plan investments | \$ 44,377,284 | \$ - |
| Differences between expected and actual experience | 523,549 | - |
| Changes in assumptions | 7,840,879 | - |
| | <u>\$ 52,741,712</u> | <u>\$ -</u> |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ended June 30</u> | <u>Net Amount of Outflow/(Inflow)</u> |
|-------------------------------|---|
| 2016 | \$ 12,488,392 |
| 2017 | 12,488,392 |
| 2018 | 12,488,392 |
| 2019 | 12,488,392 |
| 2020 | 1,394,071 |
| After 2020 | 1,394,073 |

Maryland State Retirement and Pension System

Certain employees/retirees of the Commission elected to remain in the Maryland State Retirement and Pension System (MSRS) which is a cost sharing employer public employee retirement system. The Commission entered into an agreement to reimburse the State for the unfunded present value of benefits as of June 30, 1985 over a period of 35 years. The Commission made its contractually required contribution of \$420,448 in FY 2015. The balance due to the State as of June 30, 2015 is \$2,439,402 of which \$1,248,675 of cash is reflected in Exhibit 1. The final payment is scheduled to be made in fiscal year 2020.

Deferred Compensation Plans

The Commission offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 457. One plan, available to all career Commission employees, permits them to defer a portion of their salary to future years. The deferred compensation is not available to employees or beneficiaries until termination, retirement, death or unforeseeable emergency. The Commission also offers a separate deferred compensation plan to its officers and to the staff of the Employees' Retirement System. These plans are not included in the financial statements.

(E) Other Postemployment Benefits

Plan Description - In addition to the pension benefits provided by the System, the Commission provides postretirement healthcare benefits, a single-employer defined benefit healthcare plan, in accordance with Commission approval, to all full-time and part-time career employees, directors appointed by Montgomery County and Prince George's County Planning Boards, Merit System Board Members, Commissioners, appointed officials and Employees' Retirement System employees who retire under a Commission Retirement Plan or the State of Maryland Retirement Plan at the end of their Commission or System service, and who have been insured under any Commission-sponsored group medical plan during the three years immediately preceding the date of retirement or ability to prove similar coverage in another plan immediately prior to retirement. Currently 942 retirees and survivors are participating in the Commission's medical plans. The Commission contributes 80 percent of the amount of medical, prescription drug, and dental insurance rates and 80 percent of the low coverage option for all three coverage options of vision benefit rates. The System contributes the same percentages for its full-time and part-time employees and retiree Benefits levels are established annually by resolution of the Commission. Separate financial statements are not issued for the Trust.

Funding Policy - On July 1, 1999, the Commission established a 115 Trust account (the "Trust") for the purpose of pre-funding a portion of retiree insurance costs in the future. The Commission executed a Discretionary Investment Management Agreement with a Financial Advisor (Custodial Trustee) of the account. Per the Post-Retirement Insurance Benefits Program Trust Agreement I - Contributions, the Commission may elect to contribute additional amounts as deemed necessary to meet its benefit costs. Prior to fiscal year 2008, the Trust account had not been funded based on actuarial information. The fund was used in certain prior fiscal years to pay the net cost of postretirement health care benefits, net of the retiree contributions. A minimal balance was retained in the fund to maintain the legal status of the trust.

In fiscal year 2008, the Commission began phasing in over an 8 year period actuarially based funding of Other Postemployment Benefits in connection with the implementation of the accounting requirements of GASB Statement No. 45 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions".

Annual OPEB Cost and Net OPEB Obligation – The Commission’s annual other postemployment benefit (OPEB) cost (Expense) is calculated based on the annual required contribution of the employer (ARC) an amount actuarially determined in accordance with parameters established in current GASB accounting standards. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the Commission’s annual OPEB cost for the year, the amount actually contributed to the plan, and the calculation of the year end net OPEB obligation (dollar amounts in thousands).

| | |
|--|-------------------------|
| Annual required contribution (expense) | \$ 19,143 |
| Interest on net OPEB obligation | 5,035 |
| Adjustment to annual required contribution | <u>(3,593)</u> |
| Annual OPEB cost (Expense) | 20,585 |
| Contribution made | <u>15,901</u> |
| Increase in Net OPEB obligation | 4,684 |
| Net OPEB obligation, beginning of year | <u>68,044</u> |
| Net OPEB obligation, end of year | <u><u>\$ 72,728</u></u> |

The Commission’s annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation (NPO) to the System for fiscal years 2013, 2014 and 2015 is presented below (\$000):

| | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|---|-------------|-------------|-------------|
| Annual OPEB Cost | \$ 21,429 | \$ 19,943 | \$ 20,585 |
| Percentage of Annual OPEB Cost Contributed | 83% | 93% | 77% |
| Net OPEB Obligation | 66,610 | 68,044 | 72,728 |

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Valuation - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the Commission and plan members) and include the types of benefits provided at the time of the valuation and the historical pattern of sharing of benefit costs between the Commission and plan members to that point. The actuarial methods and assumptions include techniques that are designed to reduce short-term volatility in actuarially accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial Methods for Retiree Health Care Benefits Plan - The actuarial value of assets is the fair value of the investments. This year’s asset value is based on the July 1, 2014 actuarial valuation.

The Projected Unit Credit Cost method is used, with level percentage of pay amortization of the unfunded actuarial liabilities over an open 30 year amortization period.

The actuarial accrued liability was estimated as part of an actuarial valuation performed as of July 1, 2014. Significant actuarial assumptions used in the valuation are as follows:

Rate of Return – The assumed rate of return on the investment of present and future assets is at 7.4% a year compounded annually.

Salary Increases - Salary increases of 4.00% a year are projected for calculating the level percentage of pay.

Healthcare Cost Trend Rates – The expected rate of increase for healthcare costs in 2015 was estimated at 8% for prescription drugs and medical costs, and 4.5% for dental and vision. Declining rates of increase were used, with 2022 and later rates at 4.5% for all costs.

The funded status of the plan as of the most recent actuarial date, July 1, 2014, is as follows (\$000's):

| | | |
|--|----|---------|
| Actuarial Valuation of Plan Assets | \$ | 40,465 |
| Actuarial Accrued Liability | | 296,498 |
| Funded Ratio | | 13.65% |
| Unfunded Actuarial Accrued Liability | | 256,033 |
| Annual Covered Payroll | | 126,868 |
| Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll | | 201.8% |

The 115 Trust is reported by the Commission as a pension trust fund, the Other Post-Employment Benefits Fund.

The Trust's financial records are not maintained on a separate county basis.

(F) Pension Trust Funds

Combining schedules of the pension trust funds follow:

Combining Schedules of Net Position
Pension Trust Funds
June 30, 2015

| | Employees' Retirement Fund | Other Post Employment Benefits Fund | Total Pension Trust Funds |
|---|----------------------------------|--|---------------------------------|
| ASSETS | | | |
| Equity in Pooled Cash and Investments | \$ - | \$ 619,216 | \$ 619,216 |
| Cash | 66,932 | - | 66,932 |
| Fixed Income Securities | 182,800,936 | 18,027,524 | 200,828,460 |
| International Fixed Income Securities | 3,256,666 | - | 3,256,666 |
| Venture Capital/Alternative Investments | 83,006,017 | - | 83,006,017 |
| Corporate Stock | 358,642,751 | - | 358,642,751 |
| International Corporate Stock | 83,123,277 | - | 83,123,277 |
| Real Estate Investments | 62,937,508 | - | 62,937,508 |
| Short Term Investments | 40,043,633 | - | 40,043,633 |
| Mutual Funds | - | 26,643,992 | 26,643,992 |
| Collateral for Securities Lending Transactions | 33,103,308 | - | 33,103,308 |
| Accounts Receivable | 1,208,130 | 146,768 | 1,354,898 |
| Other | 15,939 | - | 15,939 |
| Total Assets | <u>848,205,097</u> | <u>45,437,500</u> | <u>893,642,597</u> |
| LIABILITIES | | | |
| Investments Payable | 21,040,331 | - | 21,040,331 |
| Accounts Payable | 1,211,497 | 288,971 | 1,500,468 |
| Claims Payable | - | 480,776 | 480,776 |
| Obligation for Collateral Received under Securities Lending Transactions | 33,957,643 | - | 33,957,643 |
| Total Liabilities | <u>56,209,471</u> | <u>769,747</u> | <u>56,979,218</u> |
| NET POSITION | | | |
| Assets Held in Trust for: | | | |
| Pension Benefits | 791,995,626 | - | 791,995,626 |
| Other Postemployment Benefits | - | 44,667,753 | 44,667,753 |
| Total Net Position | <u>\$ 791,995,626</u> | <u>\$ 44,667,753</u> | <u>\$ 836,663,379</u> |

Combining Schedules of Changes in Net Position
Pension Trust Funds
For the Year Ended June 30, 2015

| | Employees' Retirement Fund | Other Post Employment Benefits Fund | Totals |
|---|----------------------------------|--|-----------------------|
| ADDITIONS: | | | |
| Contributions: | | | |
| Employer | \$ 28,149,976 | \$ 15,583,734 | \$ 43,733,710 |
| Plan Members | 6,339,732 | - | 6,339,732 |
| Plan Members for Current Benefits | - | 2,238,511 | 2,238,511 |
| Total Contributions | <u>34,489,708</u> | <u>17,822,245</u> | <u>52,311,953</u> |
| Federal Grants - Medicare | - | 317,000 | 317,000 |
| Investment Earnings: | | | |
| Interest | 6,690,714 | - | 6,690,714 |
| Dividends | 322,090 | 281,957 | 604,047 |
| Net increase in the Fair Value of Investments | (919,893) | (1,151,317) | (2,071,210) |
| Total Investment Earnings | <u>6,092,911</u> | <u>(869,360)</u> | <u>5,223,551</u> |
| Less Investment Advisory and Management Fees | (2,854,345) | - | (2,854,345) |
| Net Income from Investing Activities | <u>3,238,566</u> | <u>(869,360)</u> | <u>2,369,206</u> |
| Securities Lending Activity | | | |
| Securities Lending Income | 117,312 | - | 117,312 |
| Securities Lending Fees | (15,358) | - | (15,358) |
| Net Income from Securities Lending Activity | <u>101,954</u> | <u>-</u> | <u>101,954</u> |
| Total Net Investment Earnings | <u>3,340,520</u> | <u>(869,360)</u> | <u>2,471,160</u> |
| Total Additions and Investment Earnings | <u>37,830,228</u> | <u>17,269,885</u> | <u>55,100,113</u> |
| DEDUCTIONS: | | | |
| Benefits | 39,992,189 | 13,061,490 | 53,053,679 |
| Refunds of Contributions | 390,629 | - | 390,629 |
| Administrative expenses | 1,587,371 | 5,817 | 1,593,188 |
| Total Deductions | <u>41,970,189</u> | <u>13,067,307</u> | <u>55,037,496</u> |
| Change in Net Position | (4,139,961) | 4,202,578 | 62,617 |
| Net Position - Beginning | <u>796,135,587</u> | <u>40,465,175</u> | <u>836,600,762</u> |
| Net Position - Ending | <u>\$ 791,995,626</u> | <u>\$ 44,667,753</u> | <u>\$ 836,663,379</u> |

(6) – NEW ACCOUNTING PRONOUNCEMENTS

The Commission adopted GASB No. 68, Account and Financial Reporting for Pension Plans, an amendment of GASB No. 27 and the related GASB Statement No. 71, Pension Transition for Contributions Subsequent to the Measurement Date – an amendment of GASB Statement No. 68, which improves accounting and financial reporting by state and local government employers whose employees are provided benefits through pensions. The Commission is now required to record a liability for future pension benefits in excess of accumulated plan assets.

These pronouncements require the restatement of the June 30, 2014 net position of the Governmental and Business-Type Activities as follows:

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|---|------------------------------------|-------------------------------------|------------------------------|
| Net position July 1, 2014 as previously stated | \$ 928,925,654 | \$ 70,622,393 | \$ 999,548,047 |
| Cumulative affect of application GASB 68, net pension liability | <u>(62,986,702)</u> | <u>(2,267,861)</u> | <u>(65,254,563)</u> |
| Net position July 1, 2014 as restated | <u><u>\$ 865,938,952</u></u> | <u><u>\$ 68,354,532</u></u> | <u><u>\$ 934,293,484</u></u> |

(7) – COUNTY FINANCIAL DATA

The following financial data pertains to both Montgomery and Prince George’s Counties.

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MONTGOMERY COUNTY
Summary of Assets, Liabilities, Deferred Inflow of Resources and Fund Balances
Governmental Funds and Accounts
June 30, 2015

| | General Fund Accounts | | | Capital Projects | Other Governmental Funds | Total Governmental Funds |
|---|-----------------------|---------------|---------------|---------------------|--------------------------------|--------------------------------|
| | Administration | Park | Total | | | |
| ASSETS | | | | | | |
| Equity in Pooled Cash and Investments | \$ 13,321,959 | \$ 5,120,211 | \$ 18,442,170 | \$ - | \$ 6,791,709 | \$ 25,233,879 |
| Receivables - Taxes (net of allowance for uncollectibles) | 217,728 | 615,990 | 833,718 | - | 23,466 | 857,184 |
| Receivables - Other | 5,928 | 110,287 | 116,215 | - | - | 116,215 |
| Due from Other Funds | - | 10,808,321 | 10,808,321 | - | - | 10,808,321 |
| Due from County Government | - | 253,253 | 253,253 | 14,229,833 | - | 14,483,086 |
| Due from Other Governments | - | - | - | 6,327,139 | 15,013 | 6,342,152 |
| Restricted Cash - Unspent Debt Proceeds | - | - | - | 1,553,804 | - | 1,553,804 |
| Other | 20,421 | - | 20,421 | - | - | 20,421 |
| Total Assets | \$ 13,566,036 | \$ 16,908,062 | \$ 30,474,098 | \$ 22,110,776 | \$ 6,830,188 | \$ 59,415,062 |
| LIABILITIES | | | | | | |
| Liabilities: | | | | | | |
| Accounts Payable | \$ 732,466 | \$ 1,243,160 | \$ 1,975,626 | \$ 4,850,055 | \$ 237,920 | \$ 7,063,601 |
| Accrued Liabilities | 1,384,478 | 3,375,182 | 4,759,660 | - | 40,760 | 4,800,420 |
| Retainage Payable | - | - | - | 1,272,657 | - | 1,272,657 |
| Due to Other Funds | - | - | - | 10,808,321 | - | 10,808,321 |
| Due to County Government | 60 | - | 60 | - | 30 | 90 |
| Deposits and Fees Collected in-Advance | 1,512,533 | 1,316,287 | 2,828,820 | 900,000 | 215,836 | 3,944,656 |
| Total Liabilities | 3,829,537 | 5,934,629 | 9,564,166 | 17,831,033 | 494,546 | 27,889,745 |
| DEFERRED INFLOW OF RESOURCES | | | | | | |
| Property Taxes Collected in-advance | 90,002 | 198,303 | 288,305 | - | 14,300 | 302,605 |
| Total Deferred Inflow of Resources | 90,002 | 198,303 | 288,305 | - | 14,300 | 302,605 |
| Fund Balance: | | | | | | |
| Restricted for: | | | | | | |
| Parks | - | - | - | 1,553,804 | 9,166 | 1,562,970 |
| Committed to: | | | | | | |
| Planning | 4,610,771 | - | 4,610,771 | - | 148,807 | 4,759,578 |
| Parks | - | 3,972,636 | 3,972,636 | 31,466,973 | 782,958 | 36,222,567 |
| Assigned to: | | | | | | |
| Planning | 2,099,079 | - | 2,099,079 | - | 4,788,552 | 6,887,631 |
| Parks | - | 559,451 | 559,451 | - | 591,859 | 1,151,310 |
| Unassigned: | 3,136,647 | 6,243,043 | 9,379,690 | (28,741,034) | - | (19,361,344) |
| Total Fund Balances | 9,846,497 | 10,775,130 | 20,621,627 | 4,279,743 | 6,321,342 | 31,222,712 |
| Total Liabilities, Deferred Inflow of Resources and Fund Balances | \$ 13,566,036 | \$ 16,908,062 | \$ 30,474,098 | \$ 22,110,776 | \$ 6,830,188 | \$ 59,415,062 |

MONTGOMERY COUNTY
Summary of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds and Accounts
For the Year Ended June 30, 2015

| | General Fund Accounts | | | Capital Projects | Other Governmental Funds | Total Governmental Funds |
|---|-----------------------|----------------------|----------------------|---------------------|--------------------------|--------------------------|
| | Administration | Park | Total | | | |
| REVENUES | | | | | | |
| Property Taxes | \$ 25,414,947 | \$ 83,626,126 | \$ 109,041,073 | \$ - | \$ 1,738,887 | \$ 110,779,960 |
| Intergovernmental: | | | | | | |
| State | - | 8,162 | 8,162 | 6,127,620 | 2,826 | 6,138,608 |
| County | 416,660 | 2,468,155 | 2,884,815 | 13,103,648 | 935,831 | 16,924,294 |
| Charges for Services | 318,873 | 1,666,005 | 1,984,878 | - | 3,123,050 | 5,107,928 |
| Rentals and Concessions | - | 1,832,194 | 1,832,194 | - | 273,393 | 2,105,587 |
| Interest | 66,195 | 81 | 66,276 | 27,383 | 18,682 | 112,341 |
| Contributions | - | - | - | 21,500 | 365,266 | 386,766 |
| Miscellaneous | 6,644 | 239,625 | 246,269 | 1,122 | 57,381 | 304,772 |
| Total Revenues | <u>26,223,319</u> | <u>89,840,348</u> | <u>116,063,667</u> | <u>19,281,273</u> | <u>6,515,316</u> | <u>141,860,256</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General Government | 8,872,291 | - | 8,872,291 | - | - | 8,872,291 |
| Planning and Zoning | 17,491,823 | - | 17,491,823 | - | 3,157,931 | 20,649,754 |
| Park Operations and Maintenance | - | 85,680,261 | 85,680,261 | - | 1,204,115 | 86,884,376 |
| Contributions | - | - | - | - | 1,467,000 | 1,467,000 |
| Debt Service: | | | | | | |
| Principal | - | - | - | - | 3,525,000 | 3,525,000 |
| Interest | - | - | - | - | 1,515,986 | 1,515,986 |
| Other Debt Service Costs | - | - | - | - | 30,197 | 30,197 |
| Capital Outlay: | | | | | | |
| Park Acquisition | - | - | - | 399,141 | - | 399,141 |
| Park Development | - | - | - | 23,046,082 | - | 23,046,082 |
| Total Expenditures | <u>26,364,114</u> | <u>85,680,261</u> | <u>112,044,375</u> | <u>23,445,223</u> | <u>10,900,229</u> | <u>146,389,827</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>(140,795)</u> | <u>4,160,087</u> | <u>4,019,292</u> | <u>(4,163,950)</u> | <u>(4,384,913)</u> | <u>(4,529,571)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers In | - | 1,127,383 | 1,127,383 | 350,000 | 4,813,266 | 6,290,649 |
| Transfer Out | (1,100,000) | (5,163,266) | (6,263,266) | (27,383) | - | (6,290,649) |
| Total Other Financing Sources (Uses) | <u>(1,100,000)</u> | <u>(4,035,883)</u> | <u>(5,135,883)</u> | <u>322,617</u> | <u>4,813,266</u> | <u>-</u> |
| Net Change in Fund Balances | (1,240,795) | 124,204 | (1,116,591) | (3,841,333) | 428,353 | (4,529,571) |
| Fund Balances - Beginning | 11,087,292 | 10,650,926 | 21,738,218 | 8,121,076 | 5,892,989 | 35,752,283 |
| Fund Balances - Ending | <u>\$ 9,846,497</u> | <u>\$ 10,775,130</u> | <u>\$ 20,621,627</u> | <u>\$ 4,279,743</u> | <u>\$ 6,321,342</u> | <u>\$ 31,222,712</u> |

MONTGOMERY COUNTY
ADMINISTRATION ACCOUNT- GENERAL FUND
Summary of Revenues, Expenditures/Encumbrances, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|-----------------------|---------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Property Taxes | \$ 25,495,989 | \$ 25,495,989 | \$ 25,414,947 | \$ (81,042) |
| Intergovernmental - | | | | |
| State | 150,000 | 150,000 | - | (150,000) |
| County | 400,400 | 395,400 | 416,660 | 21,260 |
| Charges for Services | 240,580 | 245,580 | 318,873 | 73,293 |
| Interest | 20,500 | 20,500 | 66,195 | 45,695 |
| Miscellaneous | - | - | 6,644 | 6,644 |
| Total Revenues | <u>26,307,469</u> | <u>26,307,469</u> | <u>26,223,319</u> | <u>(84,150)</u> |
| Expenditures/Encumbrances: | | | | |
| Commissioners' Office | 1,239,277 | 1,239,277 | 1,113,556 | 125,721 |
| Central Administrative Services - | | | | |
| Department of Human Resources and Management | 2,030,073 | 2,030,073 | 1,937,086 | 92,987 |
| Department of Finance | 3,075,515 | 3,075,515 | 3,069,197 | 6,318 |
| Internal Audit Division | 199,278 | 199,278 | 183,368 | 15,910 |
| Legal Department | 1,508,966 | 1,508,966 | 1,469,675 | 39,291 |
| Support Services | 536,957 | 536,957 | 457,744 | 79,213 |
| Merit System Board | 82,810 | 82,810 | 73,048 | 9,762 |
| Total Central Administrative Services | <u>7,433,599</u> | <u>7,433,599</u> | <u>7,190,118</u> | <u>243,481</u> |
| Planning Department - | | | | |
| Office of the Planning Director | 778,109 | 778,109 | 783,959 | (5,850) |
| Management and Technology Services | 2,111,751 | 2,111,751 | 1,918,021 | 193,730 |
| Functional Planning and Policy | 2,627,264 | 2,507,364 | 2,380,104 | 127,260 |
| Area 1 | 1,701,767 | 1,701,767 | 1,633,777 | 67,990 |
| Area 2 | 2,040,890 | 2,040,890 | 1,885,489 | 155,401 |
| Area 3 | 2,090,340 | 2,090,340 | 2,014,536 | 75,804 |
| Dev. Applications and Regulatory Coordination | 820,248 | 820,248 | 654,109 | 166,139 |
| Information Technology and Innovation | 3,237,559 | 3,237,559 | 3,094,829 | 142,730 |
| Support Services | 1,739,042 | 1,858,942 | 1,493,295 | 365,647 |
| Research and Special Projects | 1,424,629 | 1,424,629 | 1,351,061 | 73,568 |
| Grants | 150,000 | 150,000 | - | 150,000 |
| Total Planning Department | <u>18,721,599</u> | <u>18,721,599</u> | <u>17,209,180</u> | <u>1,512,419</u> |
| Non-Departmental | <u>1,465,510</u> | <u>1,465,510</u> | <u>1,359,949</u> | <u>105,561</u> |
| Total Expenditures/Encumbrances | <u>28,859,985</u> | <u>28,859,985</u> | <u>26,872,803</u> | <u>1,987,182</u> |
| Excess of Revenues over Expenditures/Encumbrances | <u>(2,552,516)</u> | <u>(2,552,516)</u> | <u>(649,484)</u> | <u>1,903,032</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers In (Out) - | | | | |
| Park Fund | <u>(1,100,000)</u> | <u>(1,100,000)</u> | <u>(1,100,000)</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>(1,100,000)</u> | <u>(1,100,000)</u> | <u>(1,100,000)</u> | <u>-</u> |
| Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses | <u>\$ (3,652,516)</u> | <u>\$ (3,652,516)</u> | <u>(1,749,484)</u> | <u>\$ 1,903,032</u> |
| Fund Balance - Budget Basis, Beginning | | | <u>6,985,210</u> | |
| Fund Balance - Budget Basis, Ending | | | <u>\$ 5,235,726</u> | |

**MONTGOMERY COUNTY
PARK ACCOUNT- GENERAL FUND
Summary of Revenues, Expenditures/Encumbrances, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015**

| | Budgeted Amounts | | | Variance with Final Budget - Positive (Negative) |
|--|---------------------|---------------------|---------------------|---|
| | Original | Final | Actual | |
| Revenues: | | | | |
| Property Taxes | \$ 83,957,376 | \$ 83,957,376 | \$ 83,626,126 | \$ (331,250) |
| Intergovernmental - | | | | |
| State | 400,000 | 400,000 | 8,162 | (391,838) |
| County | 2,468,155 | 2,468,155 | 2,468,155 | - |
| Charges for Services | 1,709,150 | 1,709,150 | 1,666,005 | (43,145) |
| Rentals and Concessions | 1,671,550 | 1,671,550 | 1,832,194 | 160,644 |
| Interest | 6,820 | 6,820 | 81 | (6,739) |
| Miscellaneous | 122,000 | 122,000 | 239,625 | 117,625 |
| Total Revenues | <u>90,335,051</u> | <u>90,335,051</u> | <u>89,840,348</u> | <u>(494,703)</u> |
| Expenditures/Encumbrances: | | | | |
| Director of Montgomery Parks | 1,159,744 | 1,159,744 | 1,222,345 | (62,601) |
| Management Services | 1,739,890 | 1,639,890 | 1,226,755 | 413,135 |
| Information Technology & Innovation | 1,914,728 | 1,886,428 | 2,073,166 | (186,738) |
| Facilities Management | 11,090,576 | 11,472,676 | 11,341,479 | 131,197 |
| Park Planning and Stewardship | 3,633,694 | 3,633,694 | 3,872,245 | (238,551) |
| Park Development | 3,121,751 | 3,021,751 | 2,623,788 | 397,963 |
| Park Police | 14,307,348 | 13,750,248 | 13,464,002 | 286,246 |
| Horticulture, Forestry & Environmental Education | 7,882,503 | 7,882,503 | 8,512,977 | (630,474) |
| Public Affairs and Community Service | 2,285,647 | 2,313,947 | 2,296,158 | 17,789 |
| Northern Parks | 9,224,339 | 9,124,339 | 8,930,112 | 194,227 |
| Southern Region | 13,021,336 | 13,021,336 | 12,871,896 | 149,440 |
| Support Services | 10,911,225 | 11,386,225 | 11,300,319 | 85,906 |
| Grants | 400,000 | 400,000 | 23,170 | 376,830 |
| Property Management | 1,026,320 | 1,026,320 | 1,063,217 | (36,897) |
| Non-Departmental | 4,734,420 | 4,734,420 | 4,493,592 | 240,828 |
| Total Expenditures/Encumbrances | <u>86,453,521</u> | <u>86,453,521</u> | <u>85,315,221</u> | <u>1,138,300</u> |
| | | | | |
| Excess of Revenues over Expenditures/Encumbrances | <u>3,881,530</u> | <u>3,881,530</u> | <u>4,525,127</u> | <u>643,597</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers In/(Out)- | | | | |
| Capital Projects Funds | 42,200 | 42,200 | 27,383 | (14,817) |
| Administration Fund | 1,100,000 | 1,100,000 | 1,100,000 | - |
| Debt Service Fund | (5,142,738) | (5,142,738) | (4,789,723) | 353,015 |
| Capital Projects Funds - Development | (350,000) | (350,000) | (350,000) | - |
| Special Revenue | - | - | (23,543) | (23,543) |
| Total Other Financing Sources (Uses) | <u>(4,350,538)</u> | <u>(4,350,538)</u> | <u>(4,035,883)</u> | <u>314,655</u> |
| | | | | |
| Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses | <u>\$ (469,008)</u> | <u>\$ (469,008)</u> | 489,244 | <u>\$ 958,252</u> |
| | | | | |
| Fund Balance - Budget Basis, Beginning | | | 6,313,250 | |
| Fund Balance - Budget Basis, Ending | | | <u>\$ 6,802,494</u> | |

PRINCE GEORGE'S COUNTY
Summary of Assets, Liabilities, Deferred Inflow of Resources and Fund Balances
Governmental Funds and Accounts
June 30, 2015

| | General Fund Accounts | | | | Capital Projects | Other Governmental Funds | Total Governmental Funds |
|--|-----------------------|-----------------------|----------------------|-----------------------|----------------------|--------------------------|--------------------------|
| | Administration | Park | Recreation | Total | | | |
| ASSETS | | | | | | | |
| Equity in Pooled Cash and Investments | \$ 38,916,616 | \$ 112,963,528 | \$ 36,559,471 | \$ 188,439,615 | \$ 70,821,786 | \$ 8,333,405 | \$ 267,594,806 |
| Receivables - Taxes (net of allowance for uncollectibles) | 383,376 | 752,377 | 822,299 | 1,958,052 | - | (447) | 1,957,805 |
| Receivables - Other | 107,715 | 19,783 | 82,847 | 210,345 | - | - | 210,345 |
| Due from Other Funds | - | - | 28 | 28 | - | - | 28 |
| Due from County Government | 17,575 | - | - | 17,575 | - | 70 | 17,645 |
| Due from Other Governments | 21,223 | 10,040 | 18,175 | 49,438 | 3,923,886 | 40,549 | 4,013,873 |
| Inventories | - | - | - | - | - | 441,934 | 441,934 |
| Restricted Cash - Unspent Debt Proceeds | - | - | - | - | 9,238,762 | - | 9,238,762 |
| Other | 20,009 | - | - | 20,009 | 106,568 | - | 126,577 |
| Total Assets | \$ 39,466,514 | \$ 113,745,728 | \$ 37,482,820 | \$ 190,695,062 | \$ 84,091,002 | \$ 8,815,511 | \$ 283,601,575 |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts Payable | \$ 2,591,450 | \$ 2,588,305 | \$ 2,550,708 | \$ 7,730,463 | \$ 5,486,138 | \$ 198,301 | \$ 13,414,902 |
| Accrued Liabilities | 1,585,891 | 3,562,111 | 2,470,277 | 7,618,279 | - | 307,137 | 7,925,416 |
| Retainage Payable | - | - | - | - | 1,864,487 | - | 1,864,487 |
| Deposits and Fees Collected in-Advance | 65,020 | 75,118 | 4,998,415 | 5,138,553 | 151,937 | 24,000 | 5,314,490 |
| Total Liabilities | 4,242,361 | 6,225,534 | 10,019,400 | 20,487,295 | 7,502,562 | 529,438 | 28,519,295 |
| DEFERRED INFLOW OF RESOURCES | | | | | | | |
| Property Taxes Collected in-advance | 304,388 | 549,624 | 714,700 | 1,568,692 | - | - | 1,568,692 |
| Total Deferred Inflow of Resources | 304,388 | 549,624 | 714,700 | 1,568,692 | - | - | 1,568,692 |
| Fund Balance: | | | | | | | |
| Nonspendable to: | | | | | | | |
| Recreation | - | - | - | - | - | 441,934 | 441,934 |
| Restricted for: | | | | | | | |
| Parks | - | - | - | - | 9,238,762 | - | 9,238,762 |
| Committed to: | | | | | | | |
| Planning | 14,566,119 | - | - | 14,566,119 | - | - | 14,566,119 |
| Parks | - | 8,904,348 | - | 8,904,348 | 40,048,679 | 62,856 | 49,015,883 |
| Recreation | - | - | 6,041,010 | 6,041,010 | - | 566,753 | 6,607,763 |
| Assigned to: | | | | | | | |
| Planning | 3,786,412 | - | - | 3,786,412 | - | 2,671 | 3,789,083 |
| Parks | - | - | - | - | 27,300,999 | 1,515,796 | 28,816,795 |
| Recreation | - | - | 3,651,294 | 3,651,294 | - | 5,696,063 | 9,347,357 |
| Unassigned: | 16,567,254 | 98,066,222 | 17,056,416 | 131,689,892 | - | - | 131,689,892 |
| Total Fund Balances | 34,919,785 | 106,970,570 | 26,748,720 | 168,639,075 | 76,588,440 | 8,286,073 | 253,513,588 |
| Total Liabilities, Deferred Inflow of Resources and Fund Balances | \$ 39,466,514 | \$ 113,745,728 | \$ 37,482,820 | \$ 190,695,062 | \$ 84,091,002 | \$ 8,815,511 | \$ 283,601,575 |

PRINCE GEORGE'S COUNTY
Summary of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds and Accounts
For the Year Ended June 30, 2015

| | General Fund Accounts | | | | Capital Projects | Other Governmental Funds | Total Governmental Funds |
|---|-----------------------|-----------------------|----------------------|-----------------------|----------------------|--------------------------|--------------------------|
| | Administration | Park | Recreation | Total | | | |
| REVENUES | | | | | | | |
| Property Taxes | \$ 42,339,971 | \$ 116,608,140 | \$ 57,052,524 | \$ 216,000,635 | \$ - | \$ 310 | \$ 216,000,945 |
| Intergovernmental: | | | | | | | |
| Federal | 81,691 | 45,737 | - | 127,428 | 143,920 | - | 271,348 |
| State | - | - | 260,894 | 260,894 | 4,926,998 | - | 5,187,892 |
| County | 114,724 | - | 20,193 | 134,917 | - | 607,914 | 742,831 |
| Local | - | - | - | - | - | - | - |
| Charges for Services | 601,749 | 165,916 | 6,953,601 | 7,721,266 | - | 956,461 | 8,677,727 |
| Rentals and Concessions | - | 2,509,523 | 1,118,079 | 3,627,602 | - | 5,385,388 | 9,012,990 |
| Interest | 154,546 | 389,359 | 142,984 | 686,889 | 158,518 | 27,647 | 873,054 |
| Contributions | - | - | - | - | 541,108 | 63,684 | 604,792 |
| Miscellaneous | 9,005 | 236,489 | 209,461 | 454,955 | 206,680 | 91,299 | 752,934 |
| Total Revenues | <u>43,301,686</u> | <u>119,955,164</u> | <u>65,757,736</u> | <u>229,014,586</u> | <u>5,977,224</u> | <u>7,132,703</u> | <u>242,124,513</u> |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| General Government | 11,831,299 | - | - | 11,831,299 | - | - | 11,831,299 |
| Planning and Zoning | 27,716,500 | - | - | 27,716,500 | - | - | 27,716,500 |
| Park Operations and Maintenance | - | 113,374,852 | - | 113,374,852 | - | 942,704 | 114,317,556 |
| Recreation | - | - | 59,172,074 | 59,172,074 | - | 5,630,489 | 64,802,563 |
| Contributions | - | - | - | - | - | (1,284) | (1,284) |
| Debt Service: | | | | | | | |
| Principal | - | - | - | - | - | 8,569,850 | 8,569,850 |
| Interest | - | - | - | - | - | 2,171,999 | 2,171,999 |
| Capital Outlay: | | | | | | | |
| Park Acquisition | - | - | - | - | 3,718,374 | - | 3,718,374 |
| Park Development | - | - | - | - | 37,942,868 | - | 37,942,868 |
| Total Expenditures | <u>39,547,799</u> | <u>113,374,852</u> | <u>59,172,074</u> | <u>212,094,725</u> | <u>41,661,242</u> | <u>17,313,758</u> | <u>271,069,725</u> |
| Excess (deficiency) of Revenues over Expenditures | <u>3,753,887</u> | <u>6,580,312</u> | <u>6,585,662</u> | <u>16,919,861</u> | <u>(35,684,018)</u> | <u>(10,181,055)</u> | <u>(28,945,212)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Transfers In | - | 158,518 | - | 158,518 | 16,185,000 | 10,771,849 | 27,115,367 |
| Transfer Out | (30,000) | (26,896,849) | (9,725,804) | (36,652,653) | (158,518) | (30,000) | (36,841,171) |
| Total Other Financing Sources (Uses) | <u>(30,000)</u> | <u>(26,738,331)</u> | <u>(9,725,804)</u> | <u>(36,494,135)</u> | <u>16,026,482</u> | <u>10,741,849</u> | <u>(9,725,804)</u> |
| Net Change in Fund Balances | 3,723,887 | (20,158,019) | (3,140,142) | (19,574,274) | (19,657,536) | 560,794 | (38,671,016) |
| Fund Balances - Beginning | <u>31,195,898</u> | <u>127,128,589</u> | <u>29,888,862</u> | <u>188,213,349</u> | <u>96,245,976</u> | <u>7,725,279</u> | <u>292,184,604</u> |
| Fund Balances - Ending | <u>\$ 34,919,785</u> | <u>\$ 106,970,570</u> | <u>\$ 26,748,720</u> | <u>\$ 168,639,075</u> | <u>\$ 76,588,440</u> | <u>\$ 8,286,073</u> | <u>\$ 253,513,588</u> |

PRINCE GEORGE'S COUNTY
ADMINISTRATION ACCOUNT- GENERAL FUND
Summary of Revenues, Expenditures/Encumbrances, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

| | Budgeted Amounts | | Actual | Variance with Final Budget - Positive (Negative) |
|--|-----------------------|-----------------------|----------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property Taxes | \$ 41,988,400 | \$ 41,988,400 | \$ 42,339,971 | \$ 351,571 |
| Intergovernmental - | | | | |
| Federal | - | 81,691 | 81,691 | - |
| County | 203,000 | 203,000 | 114,724 | (88,276) |
| Charges for Services | 653,000 | 653,000 | 601,749 | (51,251) |
| Interest | 74,000 | 74,000 | 154,546 | 80,546 |
| Miscellaneous | 10,000 | 10,000 | 9,005 | (995) |
| Total Revenues | <u>42,928,400</u> | <u>43,010,091</u> | <u>43,301,686</u> | <u>291,595</u> |
| Expenditures/Encumbrances: | | | | |
| Commissioners' Office | 3,099,371 | 3,099,371 | 3,087,094 | 12,277 |
| Central Administrative Services - | | | | |
| Department of Human Resources and Management | 2,403,884 | 2,403,884 | 2,286,328 | 117,556 |
| Department of Finance | 3,650,093 | 3,650,093 | 3,642,847 | 7,246 |
| Internal Audit Division | 346,447 | 346,447 | 313,283 | 33,164 |
| Legal Department | 923,261 | 923,261 | 892,851 | 30,410 |
| Support Services | 653,634 | 653,634 | 557,210 | 96,424 |
| Merit System Board | 82,810 | 82,810 | 73,048 | 9,762 |
| Total Central Administrative Services | <u>8,060,129</u> | <u>8,060,129</u> | <u>7,765,567</u> | <u>294,562</u> |
| Planning Department - | | | | |
| Director's Office | 4,668,016 | 4,668,016 | 4,304,210 | 363,806 |
| Development Review | 5,575,857 | 5,575,857 | 5,416,895 | 158,962 |
| Community Planning | 5,629,846 | 5,629,846 | 3,860,970 | 1,768,876 |
| Information Management | 5,332,668 | 5,332,668 | 4,433,389 | 899,279 |
| Countywide Planning | 6,465,122 | 6,465,122 | 5,710,078 | 755,044 |
| Support Services | 8,505,500 | 8,505,500 | 8,590,549 | (85,049) |
| Grants | 138,000 | 219,691 | 198,647 | 21,044 |
| Total Planning Department | <u>36,315,009</u> | <u>36,396,700</u> | <u>32,514,738</u> | <u>3,881,962</u> |
| Non-Departmental | 1,899,057 | 1,899,057 | 1,862,720 | 36,337 |
| Total Expenditures/Encumbrances | <u>49,373,566</u> | <u>49,455,257</u> | <u>45,230,119</u> | <u>4,225,138</u> |
| Excess (Deficiency) of Revenues over Expenditures/Encumbrances | <u>(6,445,166)</u> | <u>(6,445,166)</u> | <u>(1,928,433)</u> | <u>4,516,733</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers In (Out) - | | | | |
| Special Revenue Fund | (30,000) | (30,000) | (30,000) | - |
| Total Other Financing Sources (Uses) | <u>(30,000)</u> | <u>(30,000)</u> | <u>(30,000)</u> | <u>-</u> |
| Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses | <u>\$ (6,475,166)</u> | <u>\$ (6,475,166)</u> | <u>(1,958,433)</u> | <u>\$ 4,516,733</u> |
| Fund Balance - Budget Basis, Beginning | | | <u>22,312,099</u> | |
| Fund Balance - Budget Basis, Ending | | | <u>\$ 20,353,666</u> | |

**PRINCE GEORGE'S COUNTY
PARK ACCOUNT- GENERAL FUND
Summary of Revenues, Expenditures/Encumbrances, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015**

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|------------------------|------------------------|----------------------|---|
| | Original | Final | Actual | |
| Revenues: | | | | |
| Property Taxes | \$ 115,632,100 | \$ 115,632,100 | \$ 116,608,140 | \$ 976,040 |
| Intergovernmental - Federal | - | 45,737 | 45,737 | - |
| Charges for Services | 152,800 | 152,800 | 165,916 | 13,116 |
| Rentals and Concessions | 2,284,500 | 2,284,500 | 2,509,523 | 225,023 |
| Interest | 151,000 | 151,000 | 389,359 | 238,359 |
| Miscellaneous | 186,000 | 186,000 | 236,489 | 50,489 |
| Total Revenues | <u>118,406,400</u> | <u>118,452,137</u> | <u>119,955,164</u> | <u>1,503,027</u> |
| Expenditures/Encumbrances: | | | | |
| Office of The Director - Office of the Director | 1,940,864 | 1,940,864 | 1,799,455 | 141,409 |
| Park Police | 17,920,806 | 17,920,806 | 18,106,019 | (185,213) |
| Administration and Development - Administrative Services | 4,574,209 | 4,574,209 | 4,042,839 | 531,370 |
| Administration and Development Support Services | 326,749 | 326,749 | 293,566 | 33,183 |
| Park Planning and Development | 14,031,200 | 14,031,200 | 14,102,109 | (70,909) |
| Info Tech and Communications | 6,501,011 | 6,501,011 | 5,759,891 | 741,120 |
| Facility Operations - Deputy Director | 5,435,712 | 5,435,712 | 5,101,776 | 333,936 |
| Public Affairs & Marketing | 441,903 | 441,903 | 400,287 | 41,616 |
| Maintenance and Development | 2,065,966 | 2,065,966 | 1,752,945 | 313,021 |
| Natural and Historical Resources | 28,130,161 | 28,130,161 | 26,855,988 | 1,274,173 |
| Arts and Cultural Heritage | 6,186,975 | 6,186,975 | 5,765,659 | 421,316 |
| Total Facility Operations | 1,928,869 | 1,928,869 | 1,959,196 | (30,327) |
| | 38,753,874 | 38,753,874 | 36,734,075 | 2,019,799 |
| Area Operations - Deputy Director | 444,180 | 444,180 | 401,730 | 42,450 |
| Northern Area Operations | 6,545,734 | 6,545,734 | 6,324,036 | 221,698 |
| Central Area Operations | 6,734,422 | 6,734,422 | 5,861,862 | 872,560 |
| Southern Area Operations | 6,298,777 | 6,298,777 | 5,906,356 | 392,421 |
| Total Area Operations | 20,023,113 | 20,023,113 | 18,493,984 | 1,529,129 |
| Grants Non-Departmental | - | 45,737 | 45,737 | - |
| Total Expenditures/Encumbrances | <u>6,114,489</u> | <u>6,114,489</u> | <u>5,705,615</u> | <u>408,874</u> |
| | 115,622,027 | 115,667,764 | 110,185,066 | 5,482,698 |
| Excess of Revenues over Expenditures/Encumbrances | <u>2,784,373</u> | <u>2,784,373</u> | <u>9,770,098</u> | <u>6,985,725</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers In (Out) - Capital Projects Funds - Interest | 155,500 | 155,500 | 158,518 | 3,018 |
| Debt Service - Park Fund | (11,342,000) | (11,342,000) | (10,741,849) | 600,151 |
| Capital Projects Funds - Development | (16,155,000) | (16,155,000) | (16,155,000) | - |
| Total Other Financing Sources (Uses) | <u>(27,341,500)</u> | <u>(27,341,500)</u> | <u>(26,738,331)</u> | <u>603,169</u> |
| Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses | \$ <u>(24,557,127)</u> | \$ <u>(24,557,127)</u> | (16,968,233) | \$ <u>7,588,894</u> |
| Fund Balance - Budget Basis, Beginning | | | 115,034,455 | |
| Fund Balance - Budget Basis, Ending | | | \$ <u>98,066,222</u> | |

**PRINCE GEORGE'S COUNTY
RECREATION ACCOUNT- GENERAL FUND
Summary of Revenues, Expenditures/Encumbrances, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015**

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-----------------------|----------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Property Taxes | \$ 56,672,000 | \$ 56,672,000 | \$ 57,052,524 | \$ 380,524 |
| Intergovernmental - | | | | |
| State | - | 260,894 | 260,894 | - |
| County | - | 20,193 | 20,193 | - |
| Charges for Services | 6,855,400 | 6,855,400 | 6,953,601 | 98,201 |
| Rentals and Concessions | 883,900 | 883,900 | 1,118,079 | 234,179 |
| Interest | 84,450 | 84,450 | 142,984 | 58,534 |
| Miscellaneous | 103,300 | 103,300 | 209,461 | 106,161 |
| Total Revenues | <u>64,599,050</u> | <u>64,880,137</u> | <u>65,757,736</u> | <u>877,599</u> |
| Expenditures/Encumbrances: | | | | |
| Administration and Development- | | | | |
| Support Services | 7,434,155 | 7,434,155 | 7,073,209 | 360,946 |
| Total Director's Office | <u>7,434,155</u> | <u>7,434,155</u> | <u>7,073,209</u> | <u>360,946</u> |
| Facility Operations: | | | | |
| Public Affairs & Marketing | 911,099 | 911,099 | 641,642 | 269,457 |
| Sports, Health and Wellness | 10,597,705 | 10,597,705 | 11,068,234 | (470,529) |
| Natural and Historical Resources | 1,445,016 | 1,445,016 | 1,194,966 | 250,050 |
| Arts and Cultural Heritage | 3,944,396 | 3,944,396 | 3,783,618 | 160,778 |
| Grants | - | 376,397 | 376,397 | - |
| Total Facility Operations | <u>16,898,216</u> | <u>17,274,613</u> | <u>17,064,857</u> | <u>209,756</u> |
| Area Operations: | | | | |
| Northern Area Operations | 7,513,780 | 7,513,780 | 6,779,489 | 734,291 |
| Central Area Operations | 7,930,626 | 7,930,626 | 7,067,172 | 863,454 |
| Southern Area Operations | 8,369,495 | 8,369,495 | 7,276,297 | 1,093,198 |
| Special Programs | 8,529,182 | 8,529,182 | 8,255,743 | 273,439 |
| Total Area Operations | <u>32,343,083</u> | <u>32,343,083</u> | <u>29,378,701</u> | <u>2,964,382</u> |
| Non-Departmental | 6,936,185 | 6,936,185 | 6,587,235 | 348,950 |
| Total Operating Expenditures/Encumbrances | <u>63,611,639</u> | <u>63,988,036</u> | <u>60,104,002</u> | <u>3,884,034</u> |
| Excess of Revenues over Expenditures/Encumbrances | <u>987,411</u> | <u>892,101</u> | <u>5,653,734</u> | <u>4,761,633</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers In (Out) - | | | | |
| Enterprise | (9,725,804) | (9,725,804) | (9,725,804) | - |
| Total Other Financing Sources (Uses) | <u>(9,725,804)</u> | <u>(9,725,804)</u> | <u>(9,725,804)</u> | <u>-</u> |
| Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses | <u>\$ (8,738,393)</u> | <u>\$ (8,833,703)</u> | <u>(4,072,070)</u> | <u>\$ 4,761,633</u> |
| Fund Balance - Budget Basis, Beginning | | | 24,779,780 | |
| Fund Balance - Budget Basis, Ending | | | <u>\$ 20,707,710</u> | |

Schedule of Required Supplementary Information for Defined Benefit Pension Plans
(Unaudited)

Schedule of Changes in the Commission's Net Pension Liability and Related Ratios*

| | <u>2015</u> | <u>2014</u> |
|--|------------------------------------|------------------------------|
| | <u>Total Pension Liability</u> | |
| Service Cost | \$ 19,015,744 | \$ 16,635,683 |
| Interest | 64,188,829 | 60,003,715 |
| Changes in benefit terms | - | - |
| Difference between expected and actual experience | 610,807 | - |
| Changes in assumptions | 9,147,692 | - |
| Benefit payments including refunds | <u>(40,382,818)</u> | <u>(38,407,073)</u> |
| Net change in total pension liability | 52,580,254 | 38,232,325 |
| Total pension liability - beginning | 869,431,917 | 831,199,592 |
| Total pension liability - ending (a) | <u><u>\$ 922,012,171</u></u> | <u><u>\$ 869,431,917</u></u> |
| | <u>Plan Fiduciary Net Position</u> | |
| Contributions - employer | \$ 28,149,976 | \$ 28,750,323 |
| Contributions - employee | 6,339,732 | 5,413,595 |
| Net investment income | 3,340,520 | 107,897,795 |
| Benefit payments, including refunds | (40,382,818) | (38,407,073) |
| Administrative expenses | (1,587,371) | (1,487,210) |
| Other | - | - |
| Net change in plan fiduciary net position | <u>(4,139,961)</u> | <u>102,167,430</u> |
| Plan fiduciary net position - beginning | 796,135,587 | 693,968,157 |
| Plan fiduciary net position - ending (b) | <u><u>\$ 791,995,626</u></u> | <u><u>\$ 796,135,587</u></u> |
| | | |
| Net pension liability - ending (a-b) | <u><u>\$ 130,016,545</u></u> | <u><u>\$ 73,296,330</u></u> |
| | | |
| Plan fiduciary net position as a percentage of total pension liability | 85.9% | 91.6% |
| Covered employee payroll | 129,134,125 | 129,911,593 |
| Net pension liability as a percentage of covered payroll | 100.7% | 56.4% |

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Schedule of Required Supplementary Information for Defined Benefit Pension Plans

(continued)

**Schedule of Employer Contributions to The Maryland National Capital Park and Planning Commission
Employees' Retirement System**

| Fiscal Year ended June 30 | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency/ (Excess) | Covered Payroll | Actual Contribution as a % of Covered Payroll |
|---------------------------|-------------------------------------|---------------------|-----------------------------------|-----------------|---|
| 2006 | \$ 8,337,228 | \$ 8,337,228 | \$ - | \$ 106,258,394 | 7.8% |
| 2007 | 9,824,590 | 9,824,590 | - | 109,579,279 | 9.0% |
| 2008 | 10,561,434 | 10,561,434 | - | 109,579,279 | 9.6% |
| 2009 | 13,983,669 | 14,933,506 | (949,837) | 122,825,271 | 12.2% |
| 2010 | 17,614,908 | 17,614,908 | - | 132,240,949 | 13.3% |
| 2011 | 35,206,700 | 25,633,000 | 9,573,700 | 142,590,713 | 18.0% |
| 2012 | 32,182,287 | 32,182,287 | - | 140,407,414 | 22.9% |
| 2013 | 23,806,058 | 23,806,058 | - | 132,490,722 | 18.0% |
| 2014 | 28,750,323 | 28,750,323 | - | 129,911,593 | 22.1% |
| 2015 | 28,149,976 | 28,149,976 | - | 129,134,125 | 21.8% |

Notes to Required Supplementary Information

(1) Changes in Actuarial Assumptions

The investment rate of return was changed from 7.4% to 7.3% with a corresponding decrease in the salary scale assumption by 0.1%

(2) Methods and Assumptions used in Calculations of Actuarially Determined Contributions

| | |
|-------------------------------|---|
| Actuarial | Entry Age Normal |
| Amortization Method | Prior to July 1, 2013 - Amortize July 1, 2005 unfunded actuarial accrued liability in equal payments to January 1, 2016. Amortize subsequent changes in unfunded actuarial accrued liability in equal payments over 15 years. After July 1, 2013 – Open 15 year amortization of the unfunded actuarial accrued liability. |
| Remaining Amortization Period | 15 years |
| Asset Valuation Method | 5 year asset smoothing |
| Inflation | 2.80% |
| Salary Increases | 2.8% plus service based increases |
| Investment Rate of Return | 7.3%, net of investment expense and including inflation |
| Mortality | RP-2000 Projected to 2010 and Generational Method applied using Scale AA factors after 2010. An alternate table was used for the valuation of disabled members. |

Required Supplementary Information for Other Postemployment Benefits
(Unaudited)

Schedule of Funding Progress for Other Postemployment Benefits Plan (the Plan) - The actuarial accrued liability at the valuation date shown on the Schedule of Funding Progress is a measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the System on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers.

Funding activity for the last three years is summarized as follows:

| SCHEDULE OF FUNDING PROGRESS (000'S) | | | |
|---|--------------|--------------|--------------|
| | July 1, 2012 | July 1, 2013 | July 1, 2014 |
| Actuarial Valuation of Plan Assets | \$ 17,800 | \$ 28,069 | \$ 40,465 |
| Actuarial Accrued Liability | 311,710 | 275,804 | 296,498 |
| Funded Ratio | 5.71% | 10.18% | 13.65% |
| Unfunded Actuarial Accrued Liability | 293,910 | 247,735 | 256,033 |
| Annual Covered Payroll | 123,684 | 119,966 | 126,868 |
| Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll | 237.6% | 206.5% | 201.8% |

Analysis of the dollar amounts of plan net position, actuarial accrued liability and unfunded actuarial accrued liability in isolation can be misleading. Expressing plan net position as a percentage of the actuarial accrued liability provides one indication of the system's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker and generally, the greater this percentage, the stronger the system. Trends in the unfunded actuarial accrued liability (or excess of) and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the system's progress made in accumulating sufficient assets to pay benefits when due and generally, the smaller the unfunded percentage, the stronger the system.

◆ PART IIB ◆

FINANCIAL SECTION

Combining Statements and Schedules



Freeland Park Statue in this one-acre park was named for Caroline Freeland, the first female Chair of the Maryland-National Capital Park and Planning Commission (M-NCPPC).

SPECIAL REVENUE FUNDS

The Special Revenue Funds account for certain revenues which are dedicated by the Commission to certain purposes other than debt service, and are used in general operations comprised of park operation and maintenance, recreation (Prince George's County only), and planning administration.

DEBT SERVICE FUNDS

The Debt Service Funds are used to account for the accumulation of resources and the payment of general obligation bond principal, interest, and related costs. The Commission maintains Park Debt Service and Advance Land Acquisition Debt Service Funds for each County.

THE MARYLAND-NATIONAL PARK AND PLANNING COMMISSION

Schedule 1

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

| | MONTGOMERY COUNTY | | | | | PRINCE GEORGES COUNTY | | | | |
|---------------------------------------|-----------------------|--------------|--------------|----------------------------------|-----------|-----------------------|----------------------|-----------------------|----------------------------------|-----------------------------------|
| | Special Revenue Funds | | | Advance Land Acquisition Service | | Special Revenue Funds | | | Advance Land Acquisition Service | |
| | Planning | Parks | Total | Total Special Revenue | Total | Planning | Parks and Recreation | Total Special Revenue | Total | Total Nonmajor Governmental Funds |
| ASSETS | | | | | | | | | | |
| Equity in Pooled Cash and Investments | \$ 5,154,234 | \$ 1,637,475 | \$ 6,791,709 | \$ - | \$ - | \$ 2,671 | \$ 8,330,287 | \$ 8,332,958 | \$ 447 | \$ 8,333,405 |
| Taxes Receivable | - | - | 23,466 | - | 23,466 | - | - | - | (447) | (447) |
| Due from County Government | - | - | - | - | - | - | 70 | 70 | - | 70 |
| Due from Other Government | 6,000 | 9,013 | 15,013 | - | - | - | 40,549 | 40,549 | - | 40,549 |
| Inventories | - | - | - | - | - | - | 441,934 | 441,934 | - | 441,934 |
| Total Assets | \$ 5,160,234 | \$ 1,646,488 | \$ 6,806,722 | \$ 23,466 | \$ 23,466 | \$ 2,671 | \$ 8,812,840 | \$ 8,815,511 | \$ - | \$ 8,815,511 |
| LIABILITIES | | | | | | | | | | |
| Accounts Payable | \$ 16,362 | \$ 221,558 | \$ 237,920 | \$ - | \$ - | \$ - | \$ 198,301 | \$ 198,301 | \$ - | \$ 198,301 |
| Accrued Liabilities | - | 40,760 | 40,760 | - | - | - | 307,137 | 307,137 | - | 307,137 |
| Due to County Government | 30 | - | 30 | - | - | - | - | - | - | - |
| Deposits and Deferred Revenue | 206,483 | 9,353 | 215,836 | - | - | - | 24,000 | 24,000 | - | 24,000 |
| Total Liabilities | 222,875 | 271,671 | 494,546 | - | - | - | 529,438 | 529,438 | - | 529,438 |
| DEFERRED INFLOW OF RESOURCES | | | | | | | | | | |
| Property Taxes Collected in-advance | - | - | 14,300 | - | 14,300 | - | - | - | - | 14,300 |
| Total Deferred Inflow of Resources | - | - | 14,300 | - | 14,300 | - | - | - | - | 14,300 |
| FUND BALANCES | | | | | | | | | | |
| Fund Balance: | | | | | | | | | | |
| Nonspendable to: | | | | | | | | | | |
| Recreation | - | - | - | - | - | - | 441,934 | 441,934 | - | 441,934 |
| Parks | - | - | 9,166 | - | 9,166 | - | - | - | - | 9,166 |
| Committed to: | | | | | | | | | | |
| Planning | 148,807 | - | 148,807 | - | - | - | - | - | - | 148,807 |
| Parks | - | 782,958 | 782,958 | - | - | - | 62,856 | 62,856 | - | 62,856 |
| Recreation | - | - | - | - | - | - | 566,753 | 566,753 | - | 566,753 |
| Assigned to: | | | | | | | | | | |
| Planning | 4,788,552 | - | 4,788,552 | - | - | 2,671 | - | 2,671 | - | 2,671 |
| Parks | - | 591,859 | 591,859 | - | - | - | 1,515,796 | 1,515,796 | - | 1,515,796 |
| Recreation | - | - | - | - | - | - | 5,696,063 | 5,696,063 | - | 5,696,063 |
| Total Fund Balances | 4,937,359 | 1,374,817 | 6,312,176 | 9,166 | 9,166 | 2,671 | 8,283,402 | 8,286,073 | - | 8,286,073 |
| Total Liabilities and Fund Balances | \$ 5,160,234 | \$ 1,646,488 | \$ 6,806,722 | \$ 23,466 | \$ 23,466 | \$ 2,671 | \$ 8,812,840 | \$ 8,815,511 | \$ - | \$ 8,815,511 |

Schedule 2

THE MARYLAND-NATIONAL PARK AND PLANNING COMMISSION
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2015

| | MONTGOMERY COUNTY | | | | | | | | | | PRINCE GEORGE'S COUNTY | | | | | | | | | | | | | | | | | | | |
|---|-----------------------|-----------|-----------------|-------------|---|---------------------------------------|-------------------|-------------------------------|-----------|-------|-----------------------------------|----------------------|-----------------|---------|--------------|-----------------------|-------------------------------|-------|-----|----------|---------------------------------------|-----------------|-------|----------|-------------------|-----------------------------------|------------|---|--|--|
| | Special Revenue Funds | | | | | Advance Land Acquisition Debt Service | | | | | Total Nonmajor Governmental Funds | | | | | Special Revenue Funds | | | | | Advance Land Acquisition Debt Service | | | | | Total Nonmajor Governmental Funds | | | | |
| | Planning | Parks | Special Revenue | Total | | Planning | Park Debt Service | Land Acquisition Debt Service | Total | | Planning | Parks and Recreation | Special Revenue | Total | Planning | Park Debt Service | Land Acquisition Debt Service | Total | | Planning | Parks and Recreation | Special Revenue | Total | Planning | Park Debt Service | Land Acquisition Debt Service | Total | | | |
| REVENUES: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Property Taxes | - | - | - | 1,738,887 | - | - | - | - | 1,738,887 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| Intergovernmental - State | - | 2,826 | 2,826 | 2,826 | - | - | - | - | 2,826 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| Intergovernmental - County | - | 935,831 | 935,831 | 935,831 | - | - | - | - | 935,831 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| Charges for Services | 3,057,072 | 65,978 | 3,123,050 | 3,123,050 | - | - | - | - | 3,123,050 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| Recreation Activities | - | 273,393 | 273,393 | 273,393 | - | - | - | - | 273,393 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| Interest | 16,940 | 1,742 | 18,682 | 18,682 | - | - | - | - | 18,682 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| Contributions | 365,246 | 20 | 365,266 | 365,266 | - | - | - | - | 365,266 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| Miscellaneous | 38,279 | 19,102 | 57,381 | 57,381 | - | - | - | - | 57,381 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| Total Revenues | 3,477,537 | 1,298,892 | 4,776,429 | 6,515,316 | - | - | - | - | 1,738,887 | - | - | - | - | 15 | - | - | - | - | 310 | - | - | - | - | - | - | - | 7,132,703 | | | |
| EXPENDITURES: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Principal Retirements | - | - | - | 3,295,000 | - | - | - | - | 3,295,000 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| Interest | - | - | - | 1,464,326 | - | - | - | - | 1,464,326 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| Other Debt Service Costs | - | - | - | 30,197 | - | - | - | - | 30,197 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| Contributions | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| Planning and Zoning | 3,157,931 | - | 3,157,931 | 3,157,931 | - | - | - | - | 1,467,000 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| Park Operations and Maintenance | - | 1,204,115 | 1,204,115 | 1,204,115 | - | - | - | - | 1,467,000 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| Recreation | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| Total Expenditures | 3,157,931 | 1,204,115 | 4,362,046 | 10,900,229 | - | - | - | - | 1,748,460 | - | - | - | - | 15 | - | - | - | - | 310 | - | - | - | - | - | - | - | 17,313,758 | | | |
| Excess (deficiency) of revenues over expenditures | 319,606 | 94,777 | 414,383 | (4,384,913) | - | - | - | - | (9,573) | 15 | 559,185 | 559,200 | (10,741,849) | 1,594 | (10,741,849) | 1,594 | (10,181,055) | - | - | - | - | - | - | - | - | (14,565,968) | | | | |
| OTHER FINANCING SOURCES (USES): | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Transfers In | - | 23,543 | 23,543 | 4,813,266 | - | - | - | - | 4,813,266 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| Transfers Out | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| Total Other Financing Sources (Uses) | - | 23,543 | 23,543 | 4,813,266 | - | - | - | - | 4,813,266 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| Net change in fund balances | 319,606 | 118,320 | 437,926 | 428,353 | - | - | - | - | (9,573) | 15 | 559,185 | 559,200 | - | 1,594 | - | 1,594 | 560,794 | - | - | - | - | - | - | - | - | 989,147 | | | | |
| Fund Balances - beginning | 4,617,753 | 1,256,497 | 5,874,250 | 5,862,989 | - | - | - | - | 18,739 | 2,656 | 7,724,217 | 7,725,873 | - | (1,594) | - | (1,594) | 7,725,279 | - | - | - | - | - | - | - | - | 13,618,268 | | | | |
| Fund Balances - ending | 4,937,359 | 1,374,817 | 6,312,176 | 6,321,342 | - | - | - | - | 9,166 | 2,671 | 8,283,402 | 8,286,073 | - | - | - | - | 8,286,073 | - | - | - | - | - | - | - | - | 14,607,415 | | | | |

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 3

Combining Schedule of Revenues, Expenditures/Encumbrances, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual - Special Revenue Funds
For the Year Ended June 30, 2015

| | Montgomery County | | | | Prince George's County | | | |
|---|-----------------------|-----------------------|---------------------|------------------------------|------------------------|---------------------|--------------------|------------------------------|
| | Budgeted Amounts | | Actual | Variance Positive (Negative) | Budgeted Amounts | | Actual | Variance Positive (Negative) |
| | Original | Final | | | Original | Final | | |
| Revenues: | | | | | | | | |
| Intergovernmental | \$ 921,800 | \$ 921,800 | \$ 938,657 | \$ 16,857 | \$ 375,000 | \$ 607,914 | \$ 232,914 | |
| Charges for Services | 1,917,000 | 1,917,000 | 3,123,050 | 1,206,050 | 1,345,100 | 956,461 | (388,639) | |
| Recreation Activities | 217,600 | 217,600 | 273,393 | 55,793 | 6,291,900 | 5,385,388 | (906,512) | |
| Interest | 8,300 | 8,300 | 18,682 | 10,382 | 9,905 | 27,647 | 17,742 | |
| Contributions | 465,000 | 465,000 | 365,266 | (99,734) | 99,400 | 63,684 | (35,716) | |
| Miscellaneous | 35,100 | 35,100 | 57,381 | 22,281 | 49,700 | 91,299 | 41,599 | |
| Total Revenues | 3,564,800 | 3,564,800 | 4,776,429 | 1,211,629 | 8,171,005 | 7,132,393 | (1,038,612) | |
| Expenditures/Encumbrances: | | | | | | | | |
| Current - | | | | | | | | |
| County Planning and Zoning | 3,895,204 | 3,895,204 | 3,256,987 | 638,217 | - | - | - | |
| Park Operations and Maintenance | 1,849,045 | 1,849,045 | 1,356,880 | 492,165 | 1,111,082 | 958,726 | 152,356 | |
| Recreation | - | - | - | - | 7,581,600 | 5,733,257 | 1,848,343 | |
| Total Expenditures/Encumbrances | 5,744,249 | 5,744,249 | 4,613,867 | 1,130,382 | 8,692,682 | 6,691,983 | 2,000,699 | |
| Excess (Deficiency) of Revenues over Expenditures/Encumbrances | (2,179,449) | (2,179,449) | 162,562 | 2,342,011 | (521,677) | 440,410 | 962,087 | |
| Other Financing Sources (Uses): | | | | | | | | |
| Operating Transfers In | - | - | 23,543 | 23,543 | 30,000 | 30,000 | - | |
| Transfers Out | - | - | - | - | (30,000) | (30,000) | - | |
| Total Other Financing (Uses) | - | - | 23,543 | 23,543 | - | - | - | |
| Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures/Encumbrances and Other Financing Sources (Uses) - Budget Basis | \$ (2,179,449) | \$ (2,179,449) | 186,105 | 2,365,554 | \$ (521,677) | 440,410 | \$ 962,087 | |
| Fund Balances - Budget Basis, July 1 | | | 5,194,306 | | | 7,216,054 | | |
| Fund Balances - Budget Basis, June 30 | | | \$ 5,380,411 | | | \$ 7,656,464 | | |

The funds budgets are approved by the respective County Council only for the total of both funds



Montpelier Arts Center

ENTERPRISE FUNDS

Enterprise Funds are used to account for recreational and cultural facilities that are operated in a manner similar to private business enterprises, where the Commission's intent is that the costs of providing goods or services to the general public will be recovered primarily through user charges.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 4

Schedule of Net Position
Enterprise Funds
June 30, 2015 and 2014

| | Recreational and Cultural Facilities | | | | | |
|--|--------------------------------------|----------------------|------------------------|----------------------|----------------------|----------------------|
| | Montgomery County | | Prince George's County | | Totals | |
| | June 30, 2015 | June 30, 2014 | June 30, 2015 | June 30, 2014 | June 30, 2015 | June 30, 2014 |
| ASSETS | | | | | | |
| Current Assets: | | | | | | |
| Equity in Pooled Cash and Investments | \$ 7,705,866 | \$ 7,076,824 | \$ 5,233,398 | \$ 4,529,511 | \$ 12,939,264 | \$ 11,606,335 |
| Restricted Cash, Cash Equivalents and Investments: | | | | | | |
| Accounts Receivable | 1,270 | 7,864 | 1,359 | 150 | 2,629 | 8,014 |
| Due from County Government | - | 2,333 | 9,440 | 9,440 | 9,440 | 11,773 |
| Inventories | 158,889 | 146,602 | 754,248 | 745,080 | 913,137 | 891,682 |
| Total Current Assets | <u>7,866,025</u> | <u>7,233,623</u> | <u>5,998,445</u> | <u>5,284,181</u> | <u>13,864,470</u> | <u>12,517,804</u> |
| Noncurrent Assets: | | | | | | |
| Capital Assets: | | | | | | |
| Land | 11,584,468 | 11,584,468 | 7,779,131 | 7,779,131 | 19,363,599 | 19,363,599 |
| Buildings and Improvements | 27,181,703 | 27,135,692 | 72,348,323 | 72,340,644 | 99,530,026 | 99,476,336 |
| Machinery, Equipment and Intangibles | 2,472,401 | 2,167,709 | 4,954,034 | 5,827,817 | 7,426,435 | 7,995,526 |
| Construction in Progress | 884,458 | 247,036 | - | - | 884,458 | 247,036 |
| | 42,123,030 | 41,134,905 | 85,081,488 | 85,947,592 | 127,204,518 | 127,082,497 |
| Less - Accumulated Depreciation | (22,696,100) | (21,467,847) | (42,192,958) | (40,588,906) | (64,889,058) | (62,056,753) |
| Total Capital Assets (net of depreciation) | <u>19,426,930</u> | <u>19,667,058</u> | <u>42,888,530</u> | <u>45,358,686</u> | <u>62,315,460</u> | <u>65,025,744</u> |
| Total Noncurrent Assets | <u>19,426,930</u> | <u>19,667,058</u> | <u>42,888,530</u> | <u>45,358,686</u> | <u>62,315,460</u> | <u>65,025,744</u> |
| Total Assets | <u>27,292,955</u> | <u>26,900,681</u> | <u>48,886,975</u> | <u>50,642,867</u> | <u>76,179,930</u> | <u>77,543,548</u> |
| DEFERRED OUTFLOW OF RESOURCES | | | | | | |
| Changes in pension plan assumptions | 88,602 | - | 188,963 | - | 277,565 | - |
| Difference between projected and actual earnings on pension plan investments | 501,462 | - | 1,069,494 | - | 1,570,956 | - |
| Difference between expected and actual experience | 5,916 | - | 12,617 | - | 18,533 | - |
| Total Deferred Outflows of Resources | <u>595,980</u> | <u>-</u> | <u>1,271,074</u> | <u>-</u> | <u>1,867,054</u> | <u>-</u> |
| LIABILITIES | | | | | | |
| Current Liabilities: | | | | | | |
| Accounts Payable | 242,384 | 165,419 | 431,502 | 297,276 | 673,886 | 462,695 |
| Accrued Salaries and Benefits | 329,592 | 264,740 | 619,948 | 586,192 | 949,540 | 850,932 |
| Compensated Absences | 156,353 | 120,706 | 274,118 | 308,532 | 430,471 | 429,238 |
| Revenue Collected in Advance | 896,349 | 1,277,182 | 153,085 | 38,067 | 1,049,434 | 1,315,249 |
| Total Current Liabilities | <u>1,624,678</u> | <u>1,828,047</u> | <u>1,478,653</u> | <u>1,230,067</u> | <u>3,103,331</u> | <u>3,058,114</u> |
| Noncurrent Liabilities: | | | | | | |
| Compensated Absences | 133,306 | 152,326 | 390,653 | 372,224 | 523,959 | 524,550 |
| Net Other Post Employment Benefit Obligations | 661,017 | 616,398 | 2,466,200 | 2,324,514 | 3,127,217 | 2,940,912 |
| Net Pension Liability | 1,464,243 | 99,384 | 3,209,089 | 298,195 | 4,673,332 | 397,579 |
| Total Noncurrent Liabilities | <u>2,258,566</u> | <u>868,108</u> | <u>6,065,942</u> | <u>2,994,933</u> | <u>8,324,508</u> | <u>3,863,041</u> |
| Total Liabilities | <u>3,883,244</u> | <u>2,696,155</u> | <u>7,544,595</u> | <u>4,225,000</u> | <u>11,427,839</u> | <u>6,921,155</u> |
| NET POSITION | | | | | | |
| Net Investment in Capital Assets | 19,426,930 | 19,667,058 | 42,888,530 | 45,358,686 | 62,315,460 | 65,025,744 |
| Unrestricted | 4,578,761 | 4,537,468 | (275,076) | 1,059,181 | 4,303,685 | 5,596,649 |
| Total Net Position | <u>\$ 24,005,691</u> | <u>\$ 24,204,526</u> | <u>\$ 42,613,454</u> | <u>\$ 46,417,867</u> | <u>\$ 66,619,145</u> | <u>\$ 70,622,393</u> |

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 5

Schedule of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
For the Years Ended June 30, 2015 and 2014

| | Recreational and Cultural Facilities | | | | | |
|---|--------------------------------------|----------------------|------------------------|----------------------|----------------------|----------------------|
| | Montgomery County | | Prince George's County | | Totals | |
| | Year Ended June 30, | | Year Ended June 30, | | Year Ended June 30, | |
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Operating Revenues: | | | | | | |
| Intergovernmental | \$ - | \$ 66,687 | \$ - | \$ - | \$ - | \$ 66,687 |
| Sales | 567,467 | 618,549 | 2,133,192 | 2,296,251 | 2,700,659 | 2,914,800 |
| Charges for Services | 6,039,974 | 6,241,021 | 4,455,258 | 4,530,002 | 10,495,232 | 10,771,023 |
| Rentals and Concessions | 3,260,550 | 3,152,468 | 2,947,675 | 2,952,240 | 6,208,225 | 6,104,708 |
| Total Operating Revenues | <u>9,867,991</u> | <u>10,078,725</u> | <u>9,536,125</u> | <u>9,778,493</u> | <u>19,404,116</u> | <u>19,857,218</u> |
| Operating Expenses: | | | | | | |
| Cost of Goods Sold | 375,685 | 378,017 | 1,335,438 | 1,473,069 | 1,711,123 | 1,851,086 |
| Personnel Services | 4,697,737 | 4,586,570 | 11,290,923 | 10,726,799 | 15,988,660 | 15,313,369 |
| Supplies and Materials | 653,247 | 577,404 | 1,749,886 | 1,712,416 | 2,403,133 | 2,289,820 |
| Communications | 47,928 | 37,945 | 542,324 | 364,095 | 590,252 | 402,040 |
| Utilities | 1,081,880 | 1,004,916 | 1,708,981 | 1,816,400 | 2,790,861 | 2,821,316 |
| Maintenance | 282,070 | 409,426 | 719,704 | 783,219 | 1,001,774 | 1,192,645 |
| Contractual Services | 830,338 | 775,502 | 703,209 | 924,826 | 1,533,547 | 1,700,328 |
| Other Services and Charges | 190,269 | 240,035 | 556,846 | 349,721 | 747,115 | 589,756 |
| Administrative Services | - | - | 290,700 | 286,300 | 290,700 | 286,300 |
| Depreciation | 1,241,603 | 1,494,953 | 2,662,796 | 3,085,036 | 3,904,399 | 4,579,989 |
| Total Operating Expenses | <u>9,400,757</u> | <u>9,504,768</u> | <u>21,560,807</u> | <u>21,521,881</u> | <u>30,961,564</u> | <u>31,026,649</u> |
| Operating Income (Loss) | <u>467,234</u> | <u>573,957</u> | <u>(12,024,682)</u> | <u>(11,743,388)</u> | <u>(11,557,448)</u> | <u>(11,169,431)</u> |
| Nonoperating Revenues (Expenses): | | | | | | |
| Investment Earnings | 59,900 | 18,197 | 38,404 | 18,227 | 98,304 | 36,424 |
| Interest Expense, net of Amortization | - | (3,825) | - | - | - | (3,825) |
| Loss on Disposal of Asset | (2,047) | - | - | (24,787) | (2,047) | (24,787) |
| Total Nonoperating Revenue (Expense) | <u>57,853</u> | <u>14,372</u> | <u>38,404</u> | <u>(6,560)</u> | <u>96,257</u> | <u>7,812</u> |
| Loss before Transfers | <u>525,087</u> | <u>588,329</u> | <u>(11,986,278)</u> | <u>(11,749,948)</u> | <u>(11,461,191)</u> | <u>(11,161,619)</u> |
| Transfers In | - | - | 9,725,804 | 8,922,220 | 9,725,804 | 8,922,220 |
| Total Contributions and Transfers | - | - | 9,725,804 | 8,922,220 | 9,725,804 | 8,922,220 |
| Change in Net Position | <u>525,087</u> | <u>588,329</u> | <u>(2,260,474)</u> | <u>(2,827,728)</u> | <u>(1,735,387)</u> | <u>(2,239,399)</u> |
| Total Net Position - Beginning, as restated | <u>23,480,604</u> | <u>23,616,197</u> | <u>44,873,928</u> | <u>49,245,595</u> | <u>68,354,532</u> | <u>72,861,792</u> |
| Total Net Position - Ending | <u>\$ 24,005,691</u> | <u>\$ 24,204,526</u> | <u>\$ 42,613,454</u> | <u>\$ 46,417,867</u> | <u>\$ 66,619,145</u> | <u>\$ 70,622,393</u> |

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 6

**Schedule of Cash Flows - Enterprise Funds
For the Years Ended June 30, 2015 and 2014**

| | Recreational and Cultural Facilities | | | | | |
|---|--------------------------------------|---------------------|------------------------|-----------------------|-----------------------|-----------------------|
| | Montgomery County | | Prince George's County | | Year Ended June 30, | |
| | Year Ended June 30, 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Cash Flows from Operating Activities: | | | | | | |
| Receipts from Customers and Users | \$ 9,496,086 | \$ 9,994,976 | \$ 9,649,936 | \$ 9,773,176 | \$ 19,146,022 | \$ 19,768,152 |
| Payments to Suppliers | (1,699,184) | (2,020,360) | (7,191,330) | (7,461,463) | (8,890,514) | (9,481,823) |
| Payments to Employees | (4,203,081) | (4,260,194) | (11,035,585) | (10,636,508) | (15,238,666) | (14,896,702) |
| Payments for Interfund Services Used | (323,601) | (310,800) | - | - | (323,601) | (310,800) |
| Payments for Administrative Charges | (1,697,555) | (1,429,841) | (290,700) | (286,300) | (1,988,255) | (1,716,141) |
| Net Cash Provided (Used) by Operating Activities | <u>1,572,665</u> | <u>1,973,781</u> | <u>(8,867,679)</u> | <u>(8,611,095)</u> | <u>(7,295,014)</u> | <u>(6,637,314)</u> |
| Cash Flows from Noncapital Financing Activities: | | | | | | |
| Transfers In from Other Funds | - | - | 9,725,804 | 8,922,220 | 9,725,804 | 8,922,220 |
| Net Cash Flows from Noncapital Financing Activities | <u>-</u> | <u>-</u> | <u>9,725,804</u> | <u>8,922,220</u> | <u>9,725,804</u> | <u>8,922,220</u> |
| Cash Flows from Capital and Related Financing Activities: | | | | | | |
| Acquisition and Construction of Capital Assets | (1,003,523) | (363,948) | (192,642) | (288,044) | (1,196,165) | (651,992) |
| Principal Paid on Bonds and Notes Payable | - | (222,228) | - | - | - | (222,228) |
| Interest Paid on Revenue Bonds | - | (3,824) | - | - | - | (3,824) |
| Net Cash Used by Capital and Related Financing Activities | <u>(1,003,523)</u> | <u>(590,000)</u> | <u>(192,642)</u> | <u>(288,044)</u> | <u>(1,196,165)</u> | <u>(878,044)</u> |
| Cash Flows from Investing Activities: | | | | | | |
| Interest on Investments | 59,900 | 18,197 | 38,404 | 18,227 | 98,304 | 36,424 |
| Net Increase in Cash and Cash Equivalents | <u>629,042</u> | <u>1,401,978</u> | <u>703,887</u> | <u>41,308</u> | <u>1,332,929</u> | <u>1,443,286</u> |
| Cash, Cash Equivalents and Restricted Cash, July 1 | <u>7,076,824</u> | <u>5,674,846</u> | <u>4,529,511</u> | <u>4,488,203</u> | <u>11,606,335</u> | <u>10,163,049</u> |
| Cash, Cash Equivalents and Restricted Cash, June 30 | <u>\$ 7,705,866</u> | <u>\$ 7,076,824</u> | <u>\$ 5,233,398</u> | <u>\$ 4,529,511</u> | <u>\$ 12,939,264</u> | <u>\$ 11,606,335</u> |
| Reconciliation of Operating Income/(Loss) to Net Cash Provided (Used) by Operating Activities: | | | | | | |
| Operating Income (Loss) | \$ 467,234 | \$ 573,957 | \$ (12,024,682) | \$ (11,743,388) | \$ (11,557,448) | \$ (11,169,431) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | | | | |
| Depreciation | 1,241,603 | 1,494,953 | 2,662,796 | 3,085,036 | 3,904,399 | 4,579,989 |
| Effect of Changes in Operating Assets and Liabilities in: | | | | | | |
| Accounts Receivable | 6,594 | (7,850) | (1,209) | (150) | 5,385 | (8,000) |
| Due from County Government | 2,333 | - | - | - | 2,333 | - |
| Inventories, at Cost | (12,287) | (22,005) | (9,168) | (45,658) | (21,455) | (67,663) |
| Accounts Payable | 76,965 | (3,041) | 134,228 | 7,941 | 211,193 | 4,900 |
| Accrued Salaries and Benefits | 64,852 | 14,963 | 33,756 | 75,983 | 98,608 | 90,946 |
| Compensated Absences | 16,627 | 570 | (15,985) | 14,701 | 642 | 15,271 |
| Interest Payable | - | (1,910) | - | - | - | (1,910) |
| Net Pension Obligation | 44,957 | 999 | 95,881 | (3,572) | 140,838 | (2,573) |
| Net Other Post Employment Obligations | 44,619 | (956) | 141,686 | 3,179 | 186,305 | 2,223 |
| Revenue Collected in Advance | (380,832) | (75,899) | 115,018 | (5,167) | (265,814) | (81,066) |
| Total Adjustments | <u>1,105,431</u> | <u>1,399,824</u> | <u>3,157,003</u> | <u>3,132,293</u> | <u>4,262,434</u> | <u>4,532,117</u> |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 1,572,665</u> | <u>\$ 1,973,781</u> | <u>\$ (8,867,679)</u> | <u>\$ (8,611,095)</u> | <u>\$ (7,295,014)</u> | <u>\$ (6,637,314)</u> |



Indoor SoccerPlex at the Wheaton Sports Pavilion Field

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the consolidated financing of certain goods or services provided to other Commission funds on a cost-reimbursement basis.

Capital Equipment Funds

The Montgomery County Capital Equipment Fund is used to account for the acquisition of equipment through the use of tax exempt financing and the leasing of the equipment to other Commission funds.

Executive Building Fund

The Executive Building Fund is used to account for the cost of operating the Executive Office Building in Prince George's County and was used to account for the renovation costs of that building which was acquired in February of 1992.

Employee Benefits Funds

The Employee Benefits Funds are used to account for the costs related to employees' life and health insurance coverage, and the flexible spending program.

Risk Management Fund

The Risk Management Funds are used to account for the activity related to general liability, property damage, and workers compensation.

Commission Wide Initiatives Fund

The Commission Wide Initiatives Fund is used to account for the acquisition of equipment through the use of tax exempt financing for certain projects which benefit the entire Commission.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Internal Service Funds
Combining Statement of Net Position
For the Year Ended June 30, 2015

| | MONTGOMERY COUNTY | | PRINCE GEORGES COUNTY | | COMMISSION WIDE FUNDS | | Total June 30, 2015 | |
|--|----------------------|--------------------|-----------------------|--------------------|-----------------------|----------------------|--------------------------------------|---------------|
| | Capital Equipment | Risk Management | Capital Equipment | Risk Management | Executive Building | Employee Benefits | Commission Wide IT Initiatives | |
| ASSETS | | | | | | | | |
| Current Assets: | | | | | | | | |
| Equity in Pooled Cash and Investments | \$ 2,481,672 | \$ 11,704,290 | \$ 1,580,286 | \$ 21,185,911 | \$ 1,588,042 | \$ 14,612,048 | \$ 4,256,830 | \$ 57,409,079 |
| Restricted Cash, Cash Equivalents and Investments: | | | | | | | | |
| Equipment Financing | - | - | - | 107,078 | - | 1,075,457 | - | 1,182,535 |
| Accounts Receivable | - | 250,000 | - | 250,000 | - | - | - | 500,000 |
| Due from County Government | - | - | - | - | - | 601,360 | - | 601,360 |
| Deposits and Other | - | - | - | - | - | - | - | - |
| Total Current Assets | 2,481,672 | 11,954,290 | 1,580,286 | 21,542,989 | 1,588,042 | 16,288,865 | 4,256,830 | 59,692,974 |
| Noncurrent Assets: | | | | | | | | |
| Capital Assets: | | | | | | | | |
| Land | - | - | - | - | 748,487 | - | - | 748,487 |
| Buildings and Improvements | 81,000 | - | 36,748 | - | 3,168,865 | - | - | 3,286,613 |
| Machinery and intangibles | 28,605,817 | 196,700 | 3,416,096 | 811,823 | 415,227 | - | 2,094,848 | 35,539,511 |
| Less-Accumulated Depreciation | (21,993,508) | (194,822) | (1,547,643) | (811,823) | (2,416,737) | - | (1,002,171) | (27,966,704) |
| Total Capital Assets (net of accumulated depreciation) | 6,693,309 | 1,878 | 1,905,201 | - | 1,915,852 | - | 1,091,677 | 11,607,917 |
| Total Assets | 9,174,981 | 11,956,168 | 3,485,487 | 21,542,989 | 3,503,894 | 16,288,865 | 5,348,507 | 71,300,891 |
| DEFERRED OUTFLOW OF RESOURCES | | | | | | | | |
| Changes in pension plan assumptions | - | 10,193 | - | 10,193 | 5,489 | 18,034 | 10,193 | 54,102 |
| Difference between projected and actual earnings on pension plan investments | - | 57,691 | - | 57,691 | 31,064 | 102,068 | 57,690 | 306,203 |
| Difference between expected and actual experience | - | 680 | - | 681 | 366 | 1,204 | 681 | 3,612 |
| Total Deferred Outflows of Resources | - | 68,563 | - | 68,565 | 36,919 | 121,306 | 68,564 | 363,917 |
| LIABILITIES | | | | | | | | |
| Current Liabilities: | | | | | | | | |
| Accounts Payable | 6,104 | 23,959 | 6,088 | 23,958 | - | 790,518 | 382,080 | 1,232,717 |
| Current Portion of Claims Payable | - | 1,548,262 | - | 2,352,767 | - | 1,586,809 | - | 5,487,838 |
| Accrued Salaries and Benefits | - | - | - | - | 3,522 | 36,189 | 2,489 | 42,200 |
| Current Portion of Compensated Absences | - | 18,122 | - | 18,123 | 4,902 | 27,125 | - | 68,272 |
| Revenue Collected in Advance | - | - | - | 116,637 | - | - | - | 116,637 |
| Total Current Liabilities | 6,104 | 1,590,343 | 6,088 | 2,511,485 | 8,424 | 2,440,641 | 384,579 | 6,947,664 |
| Noncurrent Liabilities: | | | | | | | | |
| Claims Payable - Net of Current Portion | - | 4,584,543 | - | 6,998,056 | - | - | - | 11,582,599 |
| Compensated Absences - Net of Current Portion | - | 755 | - | 755 | 27,136 | 19,744 | - | 48,390 |
| Net Other Post Employment Benefit Obligations | - | 206,799 | - | 206,800 | 50,723 | 23,778 | 18,951 | 507,051 |
| Net Pension Liability | - | 157,019 | - | 157,020 | 84,549 | 277,803 | 157,019 | 833,410 |
| Total Noncurrent Liabilities | - | 4,949,116 | - | 7,362,631 | 162,408 | 321,325 | 175,970 | 12,971,450 |
| Total Liabilities | 6,104 | 6,539,459 | 6,088 | 9,874,116 | 170,832 | 2,761,966 | 560,549 | 19,919,114 |
| NET POSITION | | | | | | | | |
| Net Investment in Capital Assets | 6,693,309 | 1,878 | 1,905,201 | - | 1,915,852 | - | 1,091,677 | 11,607,917 |
| Unrestricted | 2,475,568 | 5,483,394 | 1,574,198 | 11,737,438 | 1,454,129 | 13,648,205 | 3,764,845 | 40,137,777 |
| Total Net Position | \$ 9,168,877 | \$ 5,485,272 | \$ 3,479,399 | \$ 11,737,438 | \$ 3,369,981 | \$ 13,648,205 | \$ 4,856,522 | \$ 51,745,694 |

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Internal Service Funds
 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
 For the Year Ended June 30, 2015

| | MONTGOMERY COUNTY | | PRINCE GEORGE'S COUNTY | | | | COMMISSION WIDE FUNDS | | | Total June 30, 2015 |
|--|----------------------|--------------------|------------------------|--------------------|-----------------------|----------------------|--------------------------------------|----|---------------|---------------------------|
| | Capital Equipment | Risk Management | Capital Equipment | Risk Management | Executive Building | Employee Benefits | Commission Wide IT Initiatives | | | |
| Operating Revenues: | \$ 2,327,200 | \$ 3,301,200 | \$ 2,394,000 | \$ 6,670,700 | \$ 1,063,156 | \$ 34,735,814 | \$ 1,316,847 | \$ | \$ 51,808,917 | |
| Charges for Services | - | 332,162 | - | 422,267 | - | - | - | - | 754,429 | |
| Claim Recoveries | - | 3,633,362 | - | 7,092,967 | - | - | - | - | 52,563,346 | |
| Total Operating Revenues | 2,327,200 | 3,301,200 | 2,394,000 | 6,670,700 | 1,063,156 | 34,735,814 | 1,316,847 | | 51,808,917 | |
| Operating Expenses: | | | | | | | | | | |
| Personal Services | - | 363,181 | - | 363,181 | 212,657 | 615,028 | 186,357 | | 1,740,404 | |
| Supplies and Materials | 143,999 | 22,274 | 145,211 | 22,275 | 73,969 | - | 41,719 | | 449,447 | |
| Contractual Services - | | | | | | | | | | |
| Montgomery County Self Insurance | - | 294,115 | - | 480,076 | - | 350,369 | - | | 1,124,560 | |
| Other Contractual Services | - | 2,455,473 | - | 3,852,952 | - | 23,557,629 | - | | 29,866,054 | |
| Claims Incurred | - | 89,603 | - | 146,256 | - | 7,151,537 | - | | 7,387,396 | |
| Insurance | - | 387,439 | - | 354,147 | 424,371 | 300,000 | 872,382 | | 2,746,365 | |
| Other Services and Charges | 104,172 | 4,199 | 303,854 | 2,948 | 153,517 | - | 214,905 | | 2,264,376 | |
| Depreciation | 1,585,153 | 3,616,284 | 303,654 | 5,221,835 | 864,514 | 31,974,563 | 1,315,363 | | 45,578,602 | |
| Total Operating Expenses | 1,833,324 | 3,616,284 | 752,719 | 5,221,835 | 864,514 | 31,974,563 | 1,315,363 | | 45,578,602 | |
| Operating Income (Loss) | 493,876 | 17,078 | 1,641,281 | 1,871,132 | 198,642 | 2,761,251 | 1,484 | | 6,984,744 | |
| Nonoperating Revenues (Expenses): | | | | | | | | | | |
| Interest Income | 8,275 | 44,216 | 4,315 | 75,808 | 6,212 | 47,967 | 13,994 | | 200,787 | |
| Loss on Disposal of Asset | 83,368 | - | (8,216) | - | - | - | (36,724) | | 38,428 | |
| Total Nonoperating Revenues (Expenses) | 91,643 | 44,216 | (3,901) | 75,808 | 6,212 | 47,967 | (22,730) | | 239,215 | |
| Income (Loss) Before Contributions and Transfers | 585,519 | 61,294 | 1,637,380 | 1,946,940 | 204,854 | 2,809,218 | (21,246) | | 7,223,959 | |
| Change in Net Position | 585,519 | 61,294 | 1,637,380 | 1,946,940 | 204,854 | 2,809,218 | (21,246) | | 7,223,959 | |
| Total Net Position, July 1, as restated | 8,583,358 | 5,423,978 | 1,842,019 | 9,790,498 | 3,165,127 | 10,838,987 | 4,877,768 | | 44,521,735 | |
| Total Net Position, June 30 | 9,168,877 | 5,485,272 | 3,479,399 | 11,737,438 | 3,369,981 | 13,648,205 | 4,856,522 | | 51,745,694 | |

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 9

Combining Statement of Cash Flows - Internal Service Funds
For the Year Ended June 30, 2015

| | MONTGOMERY COUNTY | | | | PRINCE GEORGE'S COUNTY | | | | COMMISSION WIDE FUNDS | | | |
|---|-------------------|-----------------|-------------------|-----------------|------------------------|-------------------|--------------------------------|---------------|-----------------------|--|--|--|
| | Capital Equipment | Risk Management | Capital Equipment | Risk Management | Executive Building | Employee Benefits | Commission Wide IT Initiatives | TOTAL | | | | |
| Cash Flows from Operating Activities: | | | | | | | | | | | | |
| Receipts from Customers and Users | \$ 2,327,200 | \$ 3,383,629 | \$ 2,394,000 | \$ 7,130,776 | \$ 1,063,156 | \$ 34,671,621 | \$ 1,316,847 | \$ 52,287,229 | | | | |
| Payments to Suppliers | (274,350) | (2,233,350) | (460,046) | (3,245,447) | (543,923) | (30,039,317) | (1,221,962) | (38,018,395) | | | | |
| Payments to Employees | - | (349,435) | - | (349,434) | (203,578) | (615,142) | (183,665) | (1,701,254) | | | | |
| Payments for Interfund Services Used | (29,000) | (260,745) | (18,200) | (260,745) | - | (300,000) | - | (868,690) | | | | |
| Net Cash Provided (Used) by Operating Activities | 2,023,850 | 540,099 | 1,915,754 | 3,275,150 | 315,655 | 3,717,162 | (88,780) | 11,698,890 | | | | |
| Cash Flows from Capital and Related Financing Activities: | | | | | | | | | | | | |
| Acquisition of Capital Assets | (1,719,083) | - | (1,648,968) | - | (552,017) | - | - | (3,920,068) | | | | |
| Net Cash Used by Capital and Related Financing Activities | (1,719,083) | - | (1,648,968) | - | (552,017) | - | - | (3,920,068) | | | | |
| Cash Flows from Investing Activities: | | | | | | | | | | | | |
| Interest on Investments | 8,275 | 44,216 | 4,315 | 75,808 | 6,212 | 47,967 | 13,994 | 200,787 | | | | |
| Net Increase (Decrease) in Cash and Cash Equivalents | 313,042 | 584,315 | 271,101 | 3,350,958 | (230,150) | 3,765,129 | (74,786) | 7,979,609 | | | | |
| Cash and Cash Equivalents, July 1 | 2,168,630 | 11,119,975 | 1,309,185 | 17,834,953 | 1,818,192 | 10,846,919 | 4,331,616 | 49,429,470 | | | | |
| Cash and Cash Equivalents, June 30 | \$ 2,481,672 | \$ 11,704,290 | \$ 1,580,286 | \$ 21,185,911 | \$ 1,588,042 | \$ 14,612,048 | \$ 4,256,830 | \$ 57,409,079 | | | | |
| Operating Income (Loss) | \$ 493,876 | \$ 17,078 | \$ 1,641,281 | \$ 1,871,132 | \$ 198,642 | \$ 2,761,251 | \$ 1,484 | \$ 6,984,744 | | | | |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | | | | | | | | | | |
| Depreciation | 1,585,153 | 4,199 | 303,654 | 2,948 | 153,517 | - | 214,905 | 2,264,376 | | | | |
| Effect of Changes in Assets and Liabilities in: | | | | | | | | | | | | |
| Accounts Receivable | - | - | - | 170,906 | - | (64,193) | - | 106,713 | | | | |
| Due from County Government | - | (249,733) | - | (249,733) | - | - | - | (499,466) | | | | |
| Accounts Payable | (55,179) | (229,970) | (29,181) | (229,965) | (39,336) | 712,013 | (307,861) | (179,479) | | | | |
| Claims Payable | - | 984,779 | - | 1,579,479 | - | 308,205 | - | 2,872,463 | | | | |
| Accrued Salaries and Benefits | - | - | - | - | (6,986) | 5,971 | (5,689) | (6,704) | | | | |
| Compensated Absences | - | (1,239) | - | (1,239) | 1,693 | (29,995) | - | (30,780) | | | | |
| Revenue Collected in Advance | - | - | - | 116,636 | - | - | - | 116,636 | | | | |
| Net Pension Liability | - | 5,183 | - | 5,183 | 2,785 | 9,150 | 5,172 | 27,473 | | | | |
| Net Other Post Employment Obligations | - | 9,802 | - | 9,803 | 5,340 | 14,760 | 3,209 | 42,914 | | | | |
| Total Adjustments | 1,529,974 | 523,021 | 274,473 | 1,404,018 | 117,013 | 955,911 | (90,264) | 4,714,146 | | | | |
| Net Cash Provided (Used) by Operating Activities | \$ 2,023,850 | \$ 540,099 | \$ 1,915,754 | \$ 3,275,150 | \$ 315,655 | \$ 3,717,162 | \$ (88,780) | \$ 11,698,890 | | | | |



Wonderful Wizard of Oz Imagination Playground with Ruby Red Slippers

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the Commission in a trustee capacity or as an agent for employees, individuals, private organizations, other governmental units, and/or other funds.

Pension Trust Funds

The Pension Trust Funds are used to account for activities related to benefits for retired employees. This includes all activities of the Employees' Retirement System including accumulation of resources for, and payment of, retirement annuities and/or other benefits and the administrative costs of operating the system. This also includes all activities related to the Commission's portion of medical costs of retirees.

Private Purpose Trust Funds

The Private Purpose Trust Funds are used to account for funds whose principal and interest must be expended in accordance with their designated purposes.

Agency Funds

The Agency Funds are used to account for funds where the Commission is merely acting in an agent capacity for another organization.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 10

Combining Statements of Net Position
Fiduciary Fund Types
June 30, 2015

| | PENSION TRUST FUNDS | | | | PRIVATE PURPOSE TRUST FUNDS | | | AGENCY FUNDS | | |
|--|----------------------------|-------------------------------------|---------------------------|----------------------|-----------------------------|-----------------------------------|------------------|-----------------|--------------------|--|
| | Employees' Retirement Fund | Other Post Employment Benefits Fund | Total Pension Trust Funds | Montgomery County | Prince George's County | Total Private Purpose Trust Funds | Montgomery | Prince George's | Total Agency Funds | |
| ASSETS | | | | | | | | | | |
| Equity in Pooled Cash and Investments | \$ - | \$ 619,216 | \$ 619,216 | \$ 8,200,546 | \$ 9,287,925 | \$ 17,488,471 | \$ 1,016,968 | \$ 3,336 | \$ 1,020,304 | |
| Cash | 66,932 | - | 66,932 | - | - | - | - | - | - | |
| Fixed Income Securities | 182,800,936 | 18,027,524 | 200,828,460 | - | - | - | - | - | - | |
| International Fixed Income Securities | 3,256,666 | - | 3,256,666 | - | - | - | - | - | - | |
| Venture Capital/Alternative Investments | 83,006,017 | - | 83,006,017 | - | - | - | - | - | - | |
| Corporate Stock | 358,642,751 | - | 358,642,751 | - | - | - | - | - | - | |
| International Corporate Stock | 83,123,277 | - | 83,123,277 | - | - | - | - | - | - | |
| Real Estate Investments | 62,937,508 | - | 62,937,508 | - | - | - | - | - | - | |
| Short Term Investments | 40,043,633 | - | 40,043,633 | - | - | - | - | - | - | |
| Mutual Funds | - | 26,643,992 | 26,643,992 | - | - | - | - | - | - | |
| Collateral for Securities Lending | - | - | - | - | - | - | - | - | - | |
| Transactions | 33,103,308 | - | 33,103,308 | - | - | - | - | - | - | |
| Accounts Receivable | 1,208,130 | 146,768 | 1,354,898 | 500 | 25 | 525 | - | - | - | |
| Land Held for Other Governments | - | - | - | 47,514,644 | 17,921,342 | 65,435,986 | - | - | - | |
| Other | 15,939 | - | 15,939 | - | - | - | - | - | - | |
| Total Assets | 848,205,097 | 45,437,500 | 893,642,597 | 55,715,690 | 27,209,292 | 82,924,982 | 1,016,968 | 3,336 | 1,020,304 | |
| LIABILITIES | | | | | | | | | | |
| Investments Payable | 21,040,331 | - | 21,040,331 | - | - | - | - | - | - | |
| Accounts Payable | 1,211,497 | 288,971 | 1,500,468 | - | 3,457 | 3,457 | - | - | - | |
| Claims Payable | - | 480,776 | 480,776 | - | - | - | - | - | - | |
| Obligation for Collateral Received under Securities Lending Transactions | 33,957,643 | - | 33,957,643 | - | - | - | - | - | - | |
| Deposits | - | - | - | - | - | - | - | - | - | |
| Total Liabilities | 56,209,471 | 769,747 | 56,979,218 | - | 3,457 | 3,457 | 1,016,968 | 3,336 | 1,020,304 | |
| NET POSITION | | | | | | | | | | |
| Assets Held in Trust for: | | | | | | | | | | |
| Land Held for Transfer | - | - | - | 47,514,644 | 17,921,342 | 65,435,986 | - | - | - | |
| Pension Benefits | 791,995,626 | - | 791,995,626 | - | - | - | - | - | - | |
| Other Postemployment Benefits | - | 44,667,753 | 44,667,753 | - | - | - | - | - | - | |
| Other Purposes | - | - | - | 8,201,046 | 9,284,493 | 17,485,539 | - | - | - | |
| Total Net Position | \$ 791,995,626 | \$ 44,667,753 | \$ 836,663,379 | \$ 55,715,690 | \$ 27,209,835 | \$ 82,921,525 | \$ - | \$ - | \$ - | |

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 11

Combining Statements of Changes in Net Position
Fiduciary Fund Types
For the Year Ended June 30, 2015

| | PENSION TRUST FUNDS | | | PRIVATE PURPOSE TRUST FUNDS | | |
|--|----------------------------|-------------------------------------|---------------|-----------------------------|------------------------|------------|
| | Employees' Retirement Fund | Other Post Employment Benefits Fund | Totals | Montgomery County | Prince George's County | Totals |
| ADDITIONS: | | | | | | |
| Contributions: | | | | | | |
| Employer | \$ 28,149,976 | \$ 15,583,734 | \$ 43,733,710 | \$ - | \$ - | \$ - |
| Plan Members | 6,339,732 | - | 6,339,732 | - | - | - |
| Plan Members for Current Benefits | - | 2,238,511 | 2,238,511 | - | - | - |
| Private Donations | - | - | - | 7,527 | 16,206 | 23,733 |
| Total Contributions | 34,489,708 | 17,822,245 | 52,311,953 | 7,527 | 16,206 | 23,733 |
| Contributions from Commission Debt Service Funds | - | - | - | 1,467,000 | - | 1,467,000 |
| Federal Grants - Medicare | - | 317,000 | 317,000 | - | - | - |
| Investment Earnings: | | | | | | |
| Interest | 6,690,714 | - | 6,690,714 | 31,993 | 31,425 | 63,418 |
| Dividends | 322,090 | 281,957 | 604,047 | - | - | - |
| Net increase/(decrease) in the Fair Value of Investments | (919,893) | (1,151,317) | (2,071,210) | - | - | - |
| Total Investment Earnings | 6,092,911 | (869,360) | 5,223,551 | 31,993 | 31,425 | 63,418 |
| Less Investment Advisory and Management Fees | (2,854,345) | - | (2,854,345) | - | - | - |
| Net Income from Investing Activities | 3,238,566 | (869,360) | 2,369,206 | 31,993 | 31,425 | 63,418 |
| Securities Lending Activity | | | | | | |
| Securities Lending Income | 117,312 | - | 117,312 | - | - | - |
| Securities Lending Fees | (15,358) | - | (15,358) | - | - | - |
| Net Income from Securities Lending Activity | 101,954 | - | 101,954 | - | - | - |
| Total Net Investment Income | 3,340,520 | (869,360) | 2,471,160 | 31,993 | 31,425 | 63,418 |
| Total Additions and Investment Income | 37,830,228 | 17,269,885 | 55,100,113 | 1,506,520 | 47,631 | 1,554,151 |
| DEDUCTIONS: | | | | | | |
| Benefits | 39,992,189 | 13,061,490 | 53,053,679 | - | - | - |
| Refunds of Contributions | 390,629 | - | 390,629 | - | - | - |
| Administrative expenses | 1,587,371 | 5,817 | 1,593,188 | - | - | - |
| Other | - | - | - | 127,934 | 8,382 | 136,316 |
| Total Deductions | 41,970,189 | 13,067,307 | 55,037,496 | 127,934 | 8,382 | 136,316 |
| Change in Net Position | (4,139,961) | 4,202,578 | 62,617 | 1,378,586 | 39,249 | 1,417,835 |
| Net Position - Beginning, as restated | 796,135,987 | 40,465,175 | 836,600,762 | 54,337,104 | 27,166,986 | 81,503,690 |
| Net Position - Ending | 791,995,626 | 44,667,753 | 836,663,379 | 55,715,690 | 27,205,835 | 82,921,525 |

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 12

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 For the Year Ended June 30, 2015

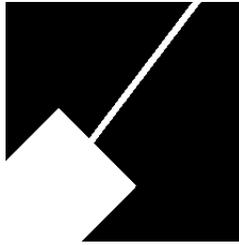
| | July 1, 2014 | Additions | Deductions | June 30, 2015 |
|---------------------------------------|-----------------|-----------|------------|------------------|
| MONTGOMERY COUNTY FUND | | | | |
| ASSETS | | | | |
| Equity in Pooled Cash and Investments | \$ 957,494 | \$ 59,474 | \$ - | \$ 1,016,968 |
| Total Current Assets | \$ 957,494 | \$ 59,474 | \$ - | \$ 1,016,968 |
| LIABILITIES | | | | |
| Deposits | \$ 957,494 | \$ 59,474 | \$ - | \$ 1,016,968 |
| Total Current Liabilities | \$ 957,494 | \$ 59,474 | \$ - | \$ 1,016,968 |
| PRINCE GEORGE'S COUNTY FUND | | | | |
| ASSETS | | | | |
| Equity in Pooled Cash and Investments | \$ 1,432 | \$ 1,904 | \$ - | \$ 3,336 |
| Total Current Assets | \$ 1,432 | \$ 1,904 | \$ - | \$ 3,336 |
| LIABILITIES | | | | |
| Deposits | \$ 1,432 | \$ 1,904 | \$ - | \$ 3,336 |
| Total Current Liabilities | \$ 1,432 | \$ 1,904 | \$ - | \$ 3,336 |
| TOTALS - ALL AGENCY FUNDS | | | | |
| ASSETS | | | | |
| Equity in Pooled Cash and Investments | \$ 958,926 | \$ 61,378 | \$ - | \$ 1,020,304 |
| Total Current Assets | \$ 958,926 | \$ 61,378 | \$ - | \$ 1,020,304 |
| LIABILITIES | | | | |
| Deposits | \$ 958,926 | \$ 61,378 | \$ - | \$ 1,020,304 |
| Total Current Liabilities | \$ 958,926 | \$ 61,378 | \$ - | \$ 1,020,304 |

◆ PART III ◆

STATISTICAL SECTION



Germantown South Mini Golf Course



STATISTICAL SECTION

This part of The Maryland-National Capital Park and Planning Commission's (Commission) Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Commission's overall financial health.

| <u>Contents</u> | <u>Page</u> |
|---|--------------------|
| Financial Trends | 126 |
| <i>These schedules contain trend information to help the reader understand how the Commission's financial performance and well-being have changed over time.</i> | |
| Revenue Capacity | 131 |
| <i>These schedules contain information to help the reader assess the Commission's most significant local revenue source, the property tax.</i> | |
| Debt Capacity | 135 |
| <i>These schedules present information to help the reader assess the affordability of the Commission's current levels of outstanding debt and the Commission's ability to issue additional debt in the future.</i> | |
| Demographic and Economic Information | 139 |
| <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Commission's financial activities take place.</i> | |
| Operating Information | 142 |
| <i>These schedules contain service and infrastructure data to help the reader understand how the information in the Commission's financial report relates to the services the Commission provides and the activities it performs.</i> | |

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-1

Net Position by Category (1)
Last Ten Fiscal Years
Entity-wide Basis

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Governmental Activities: | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 383,457,023 | \$ 416,140,797 | \$ 456,767,669 | \$ 492,930,779 | \$ 536,147,424 | \$ 569,890,944 | \$ 611,517,276 | \$ 653,877,083 | \$ 693,097,777 | \$ 736,481,893 |
| Unrestricted | 159,962,347 | 201,822,613 | 253,129,079 | 282,047,368 | 282,484,768 | 257,331,391 | 246,549,209 | 255,869,413 | 235,827,877 | 150,941,241 |
| Subtotal Governmental Activities Net Position | 543,419,370 | 617,963,410 | 709,896,748 | 774,978,147 | 818,632,192 | 827,222,335 | 858,066,485 | 909,746,496 | 928,925,654 | 887,423,134 |
| Business-type Activities: | | | | | | | | | | |
| Net Investment in Capital Assets | 84,318,532 | 81,455,721 | 79,384,327 | 77,400,952 | 75,033,816 | 72,823,330 | 70,761,443 | 68,756,299 | 65,025,744 | 62,315,460 |
| Unrestricted | 2,101,083 | 3,881,454 | 2,763,707 | 1,855,610 | 1,754,184 | 1,781,166 | 2,835,118 | 4,105,493 | 5,596,649 | 4,303,685 |
| Subtotal Business-type Activities Net Position | 86,419,615 | 85,337,175 | 82,148,034 | 79,256,562 | 76,788,000 | 74,604,496 | 73,596,561 | 72,861,792 | 70,622,393 | 66,619,145 |
| Primary Government: | | | | | | | | | | |
| Net Investment in Capital Assets | 467,775,555 | 497,596,518 | 536,151,996 | 570,331,731 | 611,181,240 | 642,714,274 | 682,278,719 | 722,633,382 | 758,123,521 | 798,797,353 |
| Unrestricted | 162,063,430 | 205,704,067 | 255,892,786 | 283,902,978 | 284,238,952 | 259,112,557 | 249,384,327 | 259,874,906 | 241,424,526 | 155,244,926 |
| Total Government Net Position | \$ 629,838,985 | \$ 703,300,585 | \$ 792,044,782 | \$ 854,234,709 | \$ 895,420,192 | \$ 901,826,831 | \$ 931,663,046 | \$ 982,608,288 | \$ 999,548,047 | \$ 954,042,279 |

(1) Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets; restricted; and unrestricted. Net positions are considered restricted only when an external party places a restriction on how the resources may be used. FY14 was not restated per GASB 66.

Source: The Maryland-National Capital Park and Planning Commission, Finance Department.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Change in Net Position
Last Ten Fiscal Years
Entity-wide Basis

| | Fiscal Year | | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Expenses | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General Government | \$ 14,110,350 | \$ 15,062,982 | \$ 17,397,550 | \$ 18,875,258 | \$ 19,765,804 | \$ 18,965,709 | \$ 18,141,138 | \$ 16,869,031 | \$ 17,923,030 | \$ 21,133,262 |
| County Planning and Zoning | 35,931,600 | 39,150,300 | 48,649,825 | 60,370,641 | 58,695,074 | 55,915,753 | 56,148,279 | 45,516,295 | 58,569,504 | 49,147,835 |
| Park Operations and Maintenance | 140,378,771 | 145,967,331 | 165,753,521 | 181,359,243 | 224,848,872 | 232,698,656 | 200,435,112 | 199,288,578 | 204,795,846 | 227,849,560 |
| Recreation Programs | 43,058,594 | 46,907,987 | 52,688,859 | 68,011,470 | 68,427,714 | 68,827,893 | 65,883,047 | 55,799,559 | 66,430,209 | 65,247,292 |
| Interest on Long-term Debt | 6,045,652 | 5,693,542 | 5,902,190 | 5,211,728 | 4,295,266 | 3,830,828 | 3,403,501 | 3,097,948 | 3,413,225 | 3,899,873 |
| Subtotal Governmental Activities | 239,524,967 | 252,772,152 | 290,391,945 | 333,828,340 | 376,032,730 | 380,238,639 | 344,011,077 | 320,561,411 | 351,131,814 | 367,277,822 |
| Business-type Activities: | | | | | | | | | | |
| Recreational and Cultural Facilities | 32,957,080 | 28,861,349 | 30,626,723 | 30,899,133 | 30,924,994 | 30,999,452 | 31,821,425 | 29,529,919 | 31,055,261 | 30,963,611 |
| Total Government Expenses | 272,482,047 | 281,633,501 | 321,018,668 | 364,727,473 | 406,957,724 | 411,238,291 | 375,832,502 | 350,091,330 | 382,187,075 | 398,241,433 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| County Planning and Zoning | 5,555,883 | 6,452,620 | 4,737,677 | 4,677,020 | 3,490,317 | 4,018,192 | 6,720,072 | 6,427,774 | 3,684,750 | 5,009,943 |
| Park Operations and Maintenance | 23,763,315 | 29,883,255 | 46,784,958 | 26,817,082 | 30,605,467 | 33,309,196 | 25,600,847 | 32,345,050 | 38,430,593 | 51,261,581 |
| Recreation Programs | 12,746,285 | 12,445,128 | 12,452,371 | 13,533,938 | 13,125,268 | 13,778,536 | 14,393,407 | 14,253,411 | 15,447,503 | 14,594,279 |
| Subtotal Governmental Activities | 42,065,483 | 48,781,003 | 63,975,006 | 45,028,040 | 47,221,052 | 51,105,924 | 46,714,326 | 53,026,235 | 57,562,846 | 70,865,803 |
| Business-type Activities: | | | | | | | | | | |
| Recreational and Cultural Facilities | 26,440,370 | 19,705,376 | 18,078,627 | 18,269,548 | 18,722,911 | 18,994,769 | 20,615,539 | 19,955,060 | 19,657,218 | 19,404,116 |
| Total Government Program Revenues | 68,505,853 | 68,486,379 | 82,053,653 | 63,297,588 | 65,943,963 | 70,100,693 | 67,329,865 | 72,981,295 | 77,420,064 | 90,269,919 |
| Net Government Expenses | <u>(203,976,194)</u> | <u>(213,147,122)</u> | <u>(238,965,035)</u> | <u>(301,429,885)</u> | <u>(341,013,761)</u> | <u>(341,137,598)</u> | <u>(308,502,637)</u> | <u>(277,110,035)</u> | <u>(304,767,011)</u> | <u>(307,971,514)</u> |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Business-type Activities | 243,728,427 | 278,535,189 | 318,350,277 | 353,881,699 | 372,465,723 | 337,723,057 | 328,140,900 | 319,215,187 | 312,748,126 | 317,886,201 |
| Total Primary Government | 7,180,179 | 8,073,533 | 9,358,955 | 9,738,113 | 9,733,521 | 9,621,179 | 10,197,951 | 8,840,090 | 8,958,644 | 9,824,108 |
| Subtotal Primary Government | 250,908,606 | 286,608,722 | 327,709,232 | 363,619,812 | 382,199,244 | 347,544,236 | 338,338,851 | 328,055,277 | 321,706,770 | 327,720,309 |
| Change in Net Position | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Business-type Activities | 46,268,943 | 74,544,040 | 91,933,338 | 65,081,399 | 43,654,045 | 8,590,142 | 30,844,149 | 51,680,011 | 19,179,158 | 21,484,182 |
| Subtotal Business-type Activities | 663,469 | (1,062,440) | (3,189,141) | (2,891,472) | (2,468,562) | (2,183,504) | (1,007,935) | (734,769) | (2,239,399) | (1,735,387) |
| Total Primary Government | <u>46,932,412</u> | <u>73,481,600</u> | <u>88,744,197</u> | <u>62,189,927</u> | <u>41,185,483</u> | <u>6,406,638</u> | <u>29,836,214</u> | <u>50,945,242</u> | <u>16,939,759</u> | <u>19,748,795</u> |

Source: The Maryland-National Capital Park and Planning Commission, Finance Department

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-3

Government Wide Revenues
Last ten Fiscal Years
Entity-wide Basis

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Program Revenues | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| County Planning and Zoning | | | | | | | | | | |
| Charges for services | \$ 4,535,128 | \$ 5,703,337 | \$ 3,612,794 | \$ 3,257,841 | \$ 2,851,449 | \$ 3,127,500 | \$ 5,283,065 | \$ 4,684,322 | \$ 2,798,897 | \$ 4,031,622 |
| Operating grants and contributions | 1,020,755 | 749,283 | 1,124,883 | 1,419,179 | 638,868 | 890,692 | 1,437,007 | 1,743,452 | 885,853 | 978,321 |
| Total County Planning and Zoning | 5,555,883 | 6,452,620 | 4,737,677 | 4,677,020 | 3,490,317 | 4,018,192 | 6,720,072 | 6,427,774 | 3,684,750 | 5,009,943 |
| Park Operations and Maintenance | | | | | | | | | | |
| Charges for services | 5,498,642 | 5,553,868 | 5,473,310 | 5,381,156 | 5,048,728 | 5,830,735 | 6,475,293 | 6,627,653 | 7,467,087 | 7,670,790 |
| Operating grants and contributions | 1,106,898 | 1,122,332 | 1,272,686 | 891,923 | 1,894,538 | 1,288,151 | 2,469,032 | 3,891,896 | 4,091,322 | 4,078,663 |
| Capital grants and contributions | 17,157,775 | 23,207,055 | 40,038,962 | 20,544,003 | 23,862,201 | 26,190,310 | 16,656,522 | 21,825,501 | 26,872,184 | 39,512,128 |
| Total Park Operations and Maintenance | 23,763,315 | 29,883,255 | 46,784,958 | 26,817,082 | 30,605,467 | 33,309,196 | 25,600,847 | 32,345,050 | 38,430,593 | 51,261,581 |
| Recreation Programs | | | | | | | | | | |
| Charges for services | 12,294,579 | 12,052,358 | 11,916,288 | 12,725,930 | 12,819,658 | 13,386,956 | 14,035,495 | 13,807,912 | 14,624,585 | 14,259,526 |
| Operating grants and contributions | 451,706 | 392,770 | 536,073 | 808,008 | 305,610 | 389,580 | 357,912 | 445,499 | 822,918 | 334,753 |
| Total Recreation Programs | 12,746,285 | 12,445,128 | 12,452,371 | 13,533,938 | 13,125,268 | 13,778,536 | 14,393,407 | 14,253,411 | 15,447,503 | 14,594,279 |
| Total Governmental Activities | 42,065,483 | 48,781,003 | 63,975,006 | 45,028,040 | 47,221,052 | 51,105,924 | 46,714,326 | 53,026,235 | 57,562,846 | 70,865,803 |
| Business-type Activities: | | | | | | | | | | |
| Recreational and Cultural Facilities | | | | | | | | | | |
| Charges for services | 22,969,521 | 19,286,008 | 17,926,991 | 18,177,611 | 18,572,911 | 18,992,169 | 20,284,112 | 19,943,177 | 19,790,531 | 19,404,116 |
| Operating grants and contributions | - | 146,596 | 151,636 | 91,937 | 150,000 | 2,600 | - | 11,883 | 66,687 | - |
| Capital grants and contributions | 3,470,849 | 272,772 | - | - | - | - | 331,427 | - | - | - |
| Total Recreational and Cultural Facilities | 26,440,370 | 19,705,376 | 18,078,627 | 18,269,548 | 18,722,911 | 18,994,769 | 20,615,539 | 19,955,060 | 19,857,218 | 19,404,116 |
| Total Government Program Revenues | \$ 68,505,853 | \$ 68,486,379 | \$ 82,053,633 | \$ 63,297,588 | \$ 65,943,963 | \$ 70,100,693 | \$ 67,329,865 | \$ 72,981,295 | \$ 77,420,064 | \$ 90,269,919 |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Property Taxes | \$ 241,784,351 | \$ 272,927,451 | \$ 313,813,140 | \$ 354,329,523 | \$ 380,067,118 | \$ 345,841,894 | \$ 336,318,601 | \$ 327,652,882 | \$ 320,703,674 | \$ 326,435,823 |
| Unrestricted Investment Earnings | 8,870,876 | 13,361,838 | 13,601,237 | 9,152,076 | 2,097,505 | 1,670,713 | 1,971,299 | 388,205 | 966,672 | 1,186,182 |
| Transfers | (6,926,800) | (7,754,100) | (9,064,100) | (9,599,900) | (9,698,900) | (9,789,900) | (10,149,000) | (8,825,900) | (8,922,220) | (9,729,804) |
| Total Governmental Activities | 243,728,427 | 278,535,189 | 318,350,277 | 353,881,699 | 372,465,723 | 337,723,057 | 328,140,900 | 319,215,187 | 312,748,126 | 317,896,201 |
| Business-type Activities | | | | | | | | | | |
| Unrestricted Investment Earnings | 253,379 | 319,433 | 294,855 | 138,213 | 34,621 | 31,629 | 48,951 | 14,190 | 36,424 | 98,304 |
| Transfers | 6,926,800 | 7,754,100 | 9,064,100 | 9,599,900 | 9,698,900 | 9,789,900 | 10,149,000 | 8,825,900 | 8,922,220 | 9,729,804 |
| Total Business-type Activities | 7,180,179 | 8,073,533 | 9,358,955 | 9,738,113 | 9,733,521 | 9,821,179 | 10,197,951 | 8,840,090 | 8,958,644 | 9,824,108 |
| Total Primary Government | \$ 250,908,606 | \$ 286,608,722 | \$ 327,709,232 | \$ 363,619,812 | \$ 382,199,244 | \$ 347,544,236 | \$ 338,338,851 | \$ 328,055,277 | \$ 321,706,770 | \$ 327,720,309 |

Source: The Maryland-National Capital Park and Planning Commission, Finance Department

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Table T-4

| Fund Balances of Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting) | | 2006 | 2007 | 2008 | 2009 |
|--|--|-----------------------|-----------------------|-----------------------|-----------------------|
| General Fund | | | | | |
| Reserved | | \$ 15,766,495 | \$ 19,064,712 | \$ 21,618,725 | \$ 31,406,415 |
| Unreserved, reported in: | | | | | |
| Montgomery Administration Account | | 1,587,630 | 2,870,039 | 2,149,543 | 3,133,034 |
| Montgomery Park Account | | 3,662,593 | 7,240,864 | 10,702,580 | 7,548,971 |
| Prince George's Administration Account | | 12,568,819 | 15,888,797 | 18,658,565 | 14,420,070 |
| Prince George's Park Account | | 50,284,754 | 54,213,314 | 64,078,004 | 56,642,003 |
| Prince George's Recreation Account | | 16,987,850 | 23,875,520 | 33,487,704 | 30,404,917 |
| Total General Fund | | <u>100,868,141</u> | <u>123,153,246</u> | <u>150,695,121</u> | <u>143,555,410</u> |
| All Other Governmental Funds | | | | | |
| Reserved | | 30,979,446 | 27,311,293 | 25,013,746 | 29,845,493 |
| Unreserved (deficit), reported in: | | | | | |
| Special Revenue Funds | | 8,358,389 | 9,421,909 | 6,992,786 | 5,340,039 |
| Capital Projects Funds | | 15,279,284 | 40,535,220 | 69,407,232 | 110,264,080 |
| Total All Other Governmental Funds | | <u>54,617,119</u> | <u>77,268,422</u> | <u>101,413,764</u> | <u>145,449,612</u> |
| Total All Governmental Funds | | <u>\$ 155,475,260</u> | <u>\$ 200,421,668</u> | <u>\$ 252,108,885</u> | <u>\$ 289,005,022</u> |
| | | | | | |
| | | 2010 | 2011 | 2012 | 2013 |
| General Fund | | | | | |
| Committed | | \$ 20,087,780 | \$ 24,964,873 | \$ 22,568,621 | \$ 40,161,623 |
| Assigned | | 16,343,650 | 19,271,830 | 4,539,255 | 45,483,383 |
| Unassigned | | 99,092,516 | 92,831,681 | 135,512,477 | 157,066,229 |
| Total General Fund | | <u>135,523,946</u> | <u>137,068,384</u> | <u>162,621,353</u> | <u>242,711,235</u> |
| All Other Governmental Funds | | | | | |
| Nonspendable | | - | - | - | - |
| Restricted | | 23,712 | 6,372,978 | 4,721,415 | 3,012,510 |
| Committed | | 46,032,175 | 47,780,344 | 41,712,327 | 44,051,299 |
| Assigned | | 131,465,297 | 129,601,078 | 121,437,924 | 53,920,956 |
| Unassigned | | (11,055,627) | (17,525,176) | (20,735,656) | (21,738,490) |
| Total All Other Governmental Funds | | <u>166,465,557</u> | <u>166,229,224</u> | <u>147,136,010</u> | <u>79,246,275</u> |
| Total All Governmental Funds | | <u>\$ 301,989,503</u> | <u>\$ 303,297,608</u> | <u>\$ 309,757,363</u> | <u>\$ 321,957,510</u> |
| | | | 2014 | | 2015 (1) |
| General Fund | | | | | |
| Committed | | | \$ 34,526,773 | \$ 38,094,884 | \$ 38,094,884 |
| Assigned | | | 43,892,210 | 10,096,236 | 10,096,236 |
| Unassigned | | | 131,532,584 | 141,069,582 | 141,069,582 |
| Total General Fund | | | <u>209,951,567</u> | <u>189,260,702</u> | <u>189,260,702</u> |
| All Other Governmental Funds | | | | | |
| Nonspendable | | | - | 441,934 | 441,934 |
| Restricted | | | 35,891,912 | 10,801,732 | 10,801,732 |
| Committed | | | 58,578,055 | 73,077,026 | 73,077,026 |
| Assigned | | | 45,053,357 | 39,895,940 | 39,895,940 |
| Unassigned | | | (21,538,004) | (28,741,034) | (28,741,034) |
| Total All Other Governmental Funds | | | <u>117,985,320</u> | <u>95,475,598</u> | <u>95,475,598</u> |
| Total All Governmental Funds | | | <u>\$ 327,936,887</u> | <u>\$ 284,736,300</u> | <u>\$ 284,736,300</u> |

(1) The decrease in 2015 total governmental fund balance in comparison with the prior year is explained in Management's Discussion and Analysis.

Source: The Maryland-National Capital Park and Planning Commission, Finance Department

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-5

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Revenues | | | | | | | | | | |
| Property Taxes | \$ 244,607,360 | \$ 273,443,221 | \$ 313,628,421 | \$ 353,966,263 | \$ 380,292,455 | \$ 345,254,763 | \$ 337,691,448 | \$ 326,432,203 | \$ 326,780,905 | \$ 326,780,905 |
| Intergovernmental | 13,728,507 | 20,395,468 | 38,609,800 | 17,411,704 | 20,281,231 | 27,617,484 | 16,129,050 | 23,361,183 | 29,264,973 | 29,264,973 |
| Charges for Services | 12,170,203 | 13,302,886 | 11,457,579 | 11,572,219 | 11,024,346 | 11,614,064 | 14,395,378 | 13,876,989 | 13,785,655 | 13,785,655 |
| Rentals and Concessions | 8,883,464 | 8,872,522 | 8,977,209 | 9,017,218 | 8,929,134 | 9,759,475 | 10,102,875 | 10,381,093 | 11,118,577 | 11,118,577 |
| Interest | 6,934,901 | 10,582,784 | 10,996,141 | 7,565,096 | 1,816,538 | 1,421,095 | 1,723,915 | 312,015 | 985,395 | 985,395 |
| Miscellaneous | 2,312,925 | 2,004,402 | 1,749,098 | 3,666,197 | 3,260,261 | 1,321,762 | 2,239,456 | 1,665,051 | 2,049,264 | 2,049,264 |
| Total Revenues | 288,637,360 | 328,601,283 | 385,418,248 | 403,198,697 | 425,603,965 | 396,988,653 | 384,282,119 | 376,028,534 | 383,984,769 | 383,984,769 |
| Expenditures | | | | | | | | | | |
| General Government | 14,989,960 | 15,307,979 | 16,809,827 | 18,355,098 | 18,760,282 | 16,900,334 | 17,286,400 | 16,888,747 | 20,703,590 | 20,703,590 |
| Planning and Zoning | 35,660,252 | 39,453,463 | 47,993,136 | 57,139,743 | 56,761,092 | 51,677,578 | 53,490,374 | 45,431,143 | 48,366,254 | 48,366,254 |
| Park Operations and Maintenance | 118,469,005 | 131,788,561 | 148,113,743 | 162,803,732 | 201,163,727 | 185,124,386 | 168,990,977 | 176,450,186 | 201,201,932 | 201,201,932 |
| Recreation | 41,484,461 | 46,249,016 | 51,245,007 | 66,011,514 | 66,071,967 | 64,079,717 | 63,824,544 | 55,118,442 | 64,802,563 | 64,802,563 |
| Contributions | - | 486,993 | 662,451 | 859,223 | 1,012,532 | 943,482 | 21,125 | - | 1,465,716 | 1,465,716 |
| Debt Service | - | - | - | - | - | - | - | - | - | - |
| Principal | 11,820,000 | 11,630,000 | 13,131,800 | 13,705,849 | 13,181,597 | 14,172,757 | 11,999,335 | 11,719,539 | 12,094,850 | 12,094,850 |
| Interest | 5,986,849 | 5,321,528 | 5,504,890 | 5,065,685 | 4,223,697 | 3,888,860 | 3,361,761 | 3,218,877 | 3,687,985 | 3,687,985 |
| Other Debt Service Costs | 262,491 | 258,155 | 87,937 | 178,835 | 113,412 | (95,874) | 427,602 | 10,860 | 30,197 | 30,197 |
| Capital Projects | 22,269,358 | 39,382,789 | 40,868,140 | 37,968,742 | 41,632,678 | 49,199,758 | 59,679,383 | 46,199,542 | 65,106,465 | 65,106,465 |
| Total Expenditures | 250,942,376 | 289,878,484 | 324,416,931 | 362,088,421 | 402,920,584 | 385,890,998 | 379,081,501 | 354,997,336 | 417,459,552 | 417,459,552 |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Proceeds from General Obligation Bonds | - | 13,600,000 | 17,300,000 | 5,250,000 | - | - | 10,500,000 | - | - | - |
| Refunding Bonds Issued | 19,130,000 | - | (17,300,000) | 8,405,000 | 14,080,000 | - | 16,425,000 | - | - | - |
| Loan Issued | - | 284,000 | - | - | - | - | - | - | - | - |
| Premiums on Bonds Issued | 88,405 | 93,709 | - | 381,617 | 769,574 | - | 2,614,073 | - | - | - |
| Payment to Refunding Bond Escrow Account | (19,018,300) | - | - | (8,650,856) | (14,849,574) | - | (18,130,936) | - | - | - |
| Transfers In | 31,327,417 | 45,882,822 | 54,408,188 | 84,117,596 | 62,185,114 | 41,616,423 | 28,262,071 | 66,307,473 | 33,406,016 | 33,406,016 |
| Transfers Out | (38,504,217) | (54,636,922) | (63,723,288) | (93,717,496) | (71,884,014) | (51,405,973) | (38,411,071) | (75,133,373) | (43,131,820) | (43,131,820) |
| Total Other Financing Sources (Uses) | (6,976,695) | 6,223,609 | (9,314,100) | (4,214,139) | (9,698,900) | (9,789,550) | 1,299,137 | (8,825,900) | (9,725,804) | (9,725,804) |
| Net Change in Fund Balances | 30,718,289 | 44,946,408 | 51,687,217 | 36,896,137 | 12,984,481 | 1,308,105 | 6,459,755 | 12,205,298 | (43,200,587) | (43,200,587) |
| Beginning Fund Balance | 124,756,971 | 155,475,260 | 200,421,668 | 252,108,885 | 289,005,022 | 301,989,503 | 303,297,608 | 309,757,363 | 321,962,661 | 327,936,887 |
| Ending Fund Balance | \$ 155,475,260 | \$ 200,421,668 | \$ 252,108,885 | \$ 289,005,022 | \$ 301,989,503 | \$ 303,297,608 | \$ 309,757,363 | \$ 321,962,661 | \$ 278,762,074 | \$ 284,736,300 |
| Debt Service as a Percentage of Noncapital Expenditures | 7.62% | 6.77% | 6.56% | 5.86% | 4.84% | 5.20% | 4.72% | 4.79% | 4.26% | 4.43% |

Source: The Maryland-National Capital Park and Planning Commission, Finance Department

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-6

Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

(Dollars in Thousands)

MONTGOMERY COUNTY

| Fiscal Year | Real Property | | | Personal Property (1) | | | Total (2) | | Ratio of Total Assessed Value To Total Estimated Actual Value % |
|-------------|----------------|------------------------|-----------------------|----------------------------------|-----------------------|----------------|------------------------|-------|---|
| | Assessed Value | Estimated Actual Value | Total Direct Tax Rate | Assessed/ Estimated Actual Value | Total Direct Tax Rate | Assessed Value | Estimated Actual Value | | |
| 2006 | \$ 110,529,249 | \$ 118,593,615 | 0.952 | \$ 3,831,629 | \$ 2,367 | \$ 114,360,878 | \$ 122,425,244 | 93.41 | |
| 2007 | 125,710,776 | 131,634,320 | 0.902 | 3,948,950 | 2,242 | 129,659,726 | 135,583,270 | 95.63 | |
| 2008 | 142,306,436 | 145,210,649 | 0.902 | 3,970,547 | 2,241 | 146,276,983 | 149,181,196 | 98.05 | |
| 2009 | 158,133,491 | 164,038,892 | 0.902 | 3,920,171 | 2,241 | 162,053,662 | 167,959,063 | 96.48 | |
| 2010 | 167,096,844 | 168,676,000 | 0.904 | 4,123,997 | 2,247 | 171,220,841 | 172,799,997 | 99.09 | |
| 2011 | 167,790,793 | 189,808,589 | 0.904 | 3,856,192 | 2,247 | 171,646,985 | 193,664,781 | 88.63 | |
| 2012 | 162,197,150 | 174,593,272 | 0.947 | 3,718,946 | 2,357 | 165,916,096 | 178,312,218 | 93.05 | |
| 2013 | 158,272,831 | 170,369,032 | 0.981 | 3,604,479 | 2,441 | 161,877,310 | 173,973,511 | 93.05 | |
| 2014 | 159,891,865 | 174,554,438 | 1.008 | 3,709,328 | 2,509 | 163,601,193 | 178,263,766 | 91.77 | |
| 2015 | 163,656,758 | 177,117,704 | 0.995 | 3,655,133 | 2,477 | 167,311,891 | 180,772,837 | 92.55 | |

PRINCE GEORGE'S COUNTY

| Fiscal Year | Real Property | | | Personal Property (1) | | | Total (2) | | Ratio of Total Assessed Value To Total Estimated Actual Value % |
|-------------|----------------|------------------------|-----------------------|----------------------------------|-----------------------|----------------|------------------------|-------|---|
| | Assessed Value | Estimated Actual Value | Total Direct Tax Rate | Assessed/ Estimated Actual Value | Total Direct Tax Rate | Assessed Value | Estimated Actual Value | | |
| 2006 | \$ 52,277,305 | \$ 58,874,924 | 0.980 | \$ 2,823,369 | \$ 2,449 | \$ 55,100,674 | \$ 61,698,293 | 89.31 | |
| 2007 | 60,716,650 | 69,500,205 | 0.924 | 2,827,545 | 2,312 | 63,544,195 | 72,327,750 | 87.86 | |
| 2008 | 72,840,584 | 82,244,050 | 0.915 | 2,888,299 | 2,327 | 75,728,883 | 85,132,349 | 88.95 | |
| 2009 | 85,649,437 | 99,986,181 | 0.907 | 2,987,437 | 2,294 | 88,636,874 | 102,973,618 | 86.08 | |
| 2010 | 95,749,759 | 102,512,190 | 0.900 | 2,772,044 | 2,272 | 98,521,803 | 105,284,234 | 93.58 | |
| 2011 | 88,129,040 | 96,199,089 | 0.900 | 2,734,464 | 2,000 | 90,863,504 | 98,933,553 | 91.84 | |
| 2012 | 81,798,606 | 83,404,281 | 0.905 | 2,743,679 | 2,000 | 84,542,285 | 86,147,960 | 98.14 | |
| 2013 | 75,777,582 | 76,633,200 | 0.903 | 2,741,339 | 2,283 | 78,518,921 | 79,374,539 | 98.92 | |
| 2014 | 73,012,715 | 74,563,618 | 0.897 | 2,731,340 | 2,268 | 75,744,055 | 77,294,958 | 97.99 | |
| 2015 | 73,863,286 | 76,307,098 | 0.902 | 2,884,495 | 2,278 | 76,747,781 | 79,191,593 | 96.91 | |

Note: (1) For personal property, the assessed value and estimated value are the same.

(2) Total includes real property, business personal property, public utility operating property and domestic shares.

Source: Montgomery County and Prince George's County Governments.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-7

Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years

M-NCPPC TAXES

MONTGOMERY COUNTY (1)

| Fiscal Year | Administration | | Park Operations | Advance Land Acquisition | Total | County-wide Property Taxes | |
|-------------|------------------|------------------|------------------|--------------------------|------------------|----------------------------|-------|
| | | | | | | Within County | Total |
| 2006 | \$ 0.0220/0.0550 | \$ 0.0610/0.1530 | \$ 0.0010/0.0030 | \$ 0.0840/0.2110 | \$ 0.8680/2.1560 | \$ 0.9520/2.3670 | |
| 2007 | 0.0200/0.0500 | 0.0570/0.1430 | 0.0010/0.0030 | 0.0780/0.1960 | 0.8240/2.0480 | 0.9020/2.2440 | |
| 2008 | 0.0190/0.0470 | 0.0580/0.1450 | 0.0010/0.0030 | 0.0780/0.1950 | 0.8240/2.0460 | 0.9020/2.2410 | |
| 2009 | 0.0190/0.0470 | 0.0530/0.1320 | 0.0010/0.0030 | 0.0730/0.1820 | 0.8290/2.0590 | 0.9020/2.2410 | |
| 2010 | 0.0180/0.0450 | 0.0500/0.1250 | 0.0010/0.0030 | 0.0690/0.1730 | 0.8350/2.0740 | 0.9040/2.2470 | |
| 2011 | 0.0150/0.0380 | 0.0450/0.1120 | 0.0010/0.0030 | 0.0610/0.1530 | 0.8430/2.0940 | 0.9040/2.2470 | |
| 2012 | 0.0170/0.0430 | 0.0480/0.1200 | 0.0010/0.0030 | 0.0660/0.1660 | 0.8810/2.1910 | 0.9470/2.3570 | |
| 2013 | 0.0180/0.0450 | 0.0540/0.1350 | 0.0010/0.0030 | 0.0730/0.1830 | 0.9170/2.2580 | 0.9900/2.4630 | |
| 2014 | 0.0180/0.0450 | 0.0530/0.1330 | 0.0010/0.0030 | 0.0720/0.1810 | 0.9360/2.3280 | 1.0080/2.5090 | |
| 2015 | 0.0170/0.0430 | 0.0560/0.1400 | 0.0010/0.0030 | 0.0740/0.1860 | 0.9207/2.2873 | 0.9947/2.4733 | |

PRINCE GEORGE'S COUNTY (1)

| Fiscal Year | Administration | | Park Operations | Recreation | Advance Land Acquisition | Total | County-wide Property Taxes | |
|-------------|------------------|------------------|------------------|------------------|--------------------------|------------------|----------------------------|-------|
| | | | | | | | Within County | Total |
| 2006 | \$ 0.0466/0.1165 | \$ 0.1719/0.4298 | \$ 0.0592/0.1480 | \$ 0.0013/0.0032 | \$ 0.2790/0.6975 | \$ 1.1381/2.8437 | \$ 1.4171/3.5412 | |
| 2007 | 0.0466/0.1165 | 0.1719/0.4298 | 0.0592/0.1480 | 0.0013/0.0032 | 0.2790/0.6975 | 1.1165/2.7916 | 1.3955/3.4891 | |
| 2008 | 0.0466/0.1165 | 0.1719/0.4298 | 0.0592/0.1480 | 0.0013/0.0032 | 0.2790/0.6975 | 1.1069/2.8069 | 1.3859/3.5044 | |
| 2009 | 0.0466/0.1165 | 0.1719/0.4298 | 0.0592/0.1480 | 0.0013/0.0032 | 0.2790/0.6975 | 1.0986/2.7740 | 1.3776/3.4715 | |
| 2010 | 0.0466/0.1165 | 0.1719/0.4298 | 0.0592/0.1480 | 0.0013/0.0032 | 0.2790/0.6975 | 1.0915/2.7524 | 1.3705/3.4499 | |
| 2011 | 0.0466/0.1165 | 0.1719/0.4298 | 0.0592/0.1480 | 0.0013/0.0032 | 0.2790/0.6975 | 1.0918/2.4800 | 1.3708/3.1775 | |
| 2012 | 0.0466/0.1165 | 0.1719/0.4298 | 0.0605/0.1512 | 0.0000/0.0000 | 0.2790/0.6975 | 1.0974/2.4800 | 1.3764/3.1775 | |
| 2013 | 0.0541/0.1353 | 0.1544/0.3860 | 0.0705/0.1762 | 0.0000/0.0000 | 0.2790/0.6975 | 1.0948/2.7630 | 1.3738/3.4605 | |
| 2014 | 0.0541/0.1353 | 0.1544/0.3860 | 0.0705/0.1762 | 0.0000/0.0000 | 0.2790/0.6975 | 1.0891/2.7484 | 1.3681/3.4459 | |
| 2015 | 0.0541/0.1353 | 0.1544/0.3860 | 0.0705/0.1762 | 0.0000/0.0000 | 0.2790/0.6975 | 1.0939/2.7580 | 1.3729/3.4555 | |

Note: Rates are per \$100 of assessed valuation.
(1) Rates shown are for Real/Personal.

Source: Montgomery County and Prince George's County Governments.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-8

Principal Taxpayers

Current Fiscal Year and Nine Years Ago

MONTGOMERY COUNTY

| Taxpayer | 2015 | | | 2006 | | |
|--|---------------------------|------|--|---------------------------|------|--|
| | Total Assessment | Rank | Percentage of Total Assessed Valuation | Total Assessment | Rank | Percentage of Total Assessed Valuation |
| Potomac Electric Power Company | \$ 840,291,615 | 1 | 0.50 % | \$ 725,549,880 | 1 | 0.63 % |
| Federal Realty Investment Trust | 457,777,107 | 2 | 0.27 | - | - | - |
| Verizon - Maryland | 403,670,743 | 3 | 0.24 | 638,664,976 | 2 | 0.56 |
| Montgomery Mall LLC | 361,099,693 | 4 | 0.22 | 272,112,660 | 3 | 0.24 |
| Washington Metropolitan Area Transit Authority | 347,692,200 | 5 | 0.21 | - | - | - |
| Street Retail Inc. | 266,755,357 | 6 | 0.16 | - | - | - |
| Washington Gas Light Company | 259,010,920 | 7 | 0.15 | 222,128,000 | 4 | 0.19 |
| Chevy Chase Land Co | 225,743,666 | 8 | 0.13 | - | - | - |
| Wheaton Plaza Reg Shopping Center | 222,998,837 | 9 | 0.13 | 165,827,404 | 8 | 0.15 |
| WP Project Developer LLC | 214,089,411 | 10 | 0.13 | - | - | - |
| Mirant Mid-Atlantic LLC | - | - | - | 199,484,536 | 5 | 0.17 |
| 7501 Wisconsin Ave LLC | - | - | - | 182,805,833 | 6 | 0.16 |
| Bryant F. Foulger, Trustee | - | - | - | 167,030,698 | 7 | 0.15 |
| Camalier, Anne D et al, Trustee | - | - | - | 145,656,253 | 9 | 0.13 |
| Democracy Associates | - | - | - | 139,800,000 | 10 | 0.12 |
| Total | \$ 3,599,129,549 | | 2.15 % | \$ 2,859,060,240 | | 2.50 % |
| Total Assessable Base | \$ 167,311,891,416 | | 100.00 % | \$ 114,360,878,346 | | 100.00 % |

PRINCE GEORGE'S COUNTY

| Taxpayer | 2015 | | | 2006 | | |
|-------------------------------------|--------------------------|------|--|--------------------------|------|--|
| | Total Assessment | Rank | Percentage of Total Assessed Valuation | Total Assessment | Rank | Percentage of Total Assessed Valuation |
| Potomac Electric Power Company | \$ 608,305,400 | 1 | 0.79 % | \$ 420,540,486 | 2 | 0.76 % |
| Gaylord National, LLC | 562,000,000 | 2 | 0.73 | - | - | - |
| Verizon Maryland | 297,879,330 | 3 | 0.39 | 397,661,690 | 3 | 0.72 |
| Washington Gas Light Company | 247,681,900 | 5 | 0.32 | 193,511,049 | 4 | 0.35 |
| Greenbelt Homes, Incorporated | 176,371,883 | 7 | 0.23 | 87,743,008 | 10 | 0.16 |
| JKC Stadium (FedEx Field) | 208,927,300 | 6 | 0.27 | 178,738,200 | 5 | 0.32 |
| Empirian Village of Maryland, LLC | 274,190,368 | 4 | 0.36 | - | - | - |
| Baltimore Gas and Electric Company | 165,459,430 | 9 | 0.22 | 116,547,390 | 6 | 0.21 |
| Genon Chalk Point LLC (1) | 166,602,400 | 8 | 0.22 | - | - | - |
| Silver Oaks Campus LLC | - | - | - | 90,966,800 | 8 | 0.17 |
| Mirant Chalk Point LLC | - | - | - | 425,824,290 | 1 | 0.77 |
| Safeway Stores, Inc. | - | - | - | 89,290,199 | 9 | 0.16 |
| Summerfield Housing LTD Partnership | 150,929,700 | 10 | 0.20 | 99,274,000 | 7 | 0.18 |
| Total | \$ 2,858,347,711 | | 3.72 % | \$ 2,100,097,112 | | 3.81 % |
| Total Assessable Base | \$ 76,747,781,352 | | 100.00 % | \$ 55,100,673,191 | | 100.00 % |

Source: Montgomery County and Prince George's County Governments.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-9

Property Tax Levies and Collections
Last Ten Fiscal Years

MONTGOMERY COUNTY

| Fiscal Year | Total Tax Levy | Current Tax Collections | Percent of Levy Collected | Collections in Subsequent Years | Total Collections | Percent of Total Collections to Tax Levy |
|-------------|----------------|-------------------------|---------------------------|---------------------------------|-------------------|--|
| 2006 \$ | 87,277,546 \$ | 84,587,921 | 96.9 % | 127,911 \$ | 84,715,832 | 97.1 % |
| 2007 | 91,903,957 | 91,347,333 | 99.4 | 556,624 | 91,903,957 | 100.0 |
| 2008 | 102,981,734 | 102,582,155 | 99.6 | (19,521) | 102,562,634 | 99.6 |
| 2009 | 106,450,471 | 105,976,302 | 99.6 | (144,021) | 105,832,281 | 99.4 |
| 2010 | 106,745,211 | 106,602,322 | 99.9 | 142,889 | 106,745,211 | 100.0 |
| 2011 | 94,042,259 | 93,678,737 | 99.6 | (628,693) | 93,050,044 | 98.9 |
| 2012 | 98,068,320 | 98,064,266 | 100.0 | 4,054 | 98,068,320 | 100.0 |
| 2013 | 106,088,181 | 105,178,075 | 99.1 | 422,407 | 105,600,482 | 99.5 |
| 2014 | 105,671,395 | 105,042,397 | 99.4 | 2,473 | 105,044,870 | 99.4 |
| 2015 | 111,224,664 | 110,366,064 | 99.2 | - | 110,366,064 | 99.2 |

PRINCE GEORGE'S COUNTY

| Fiscal Year | Total Tax Levy | Current Tax Collections | Percent of Levy Collected | Collections in Subsequent Years | Total Collections | Percent of Total Collections to Tax Levy |
|-------------|----------------|-------------------------|---------------------------|---------------------------------|-------------------|--|
| 2006 \$ | 156,005,194 \$ | 155,091,912 | 99.4 % | 392,566 \$ | 155,484,478 | 99.7 % |
| 2007 | 178,448,928 | 177,139,126 | 99.3 | 571,135 | 177,710,261 | 99.6 |
| 2008 | 210,271,715 | 208,168,095 | 99.0 | 1,065,977 | 209,234,072 | 99.5 |
| 2009 | 247,780,995 | 244,957,183 | 98.9 | 387,786 | 245,344,969 | 99.0 |
| 2010 | 275,536,417 | 271,182,300 | 98.4 | 2,197,893 | 273,380,193 | 99.2 |
| 2011 | 254,998,038 | 250,411,969 | 98.2 | 2,539,249 | 252,951,218 | 99.2 |
| 2012 | 237,755,078 | 234,227,123 | 98.5 | 2,765,609 | 236,992,732 | 99.7 |
| 2013 | 220,093,844 | 218,774,290 | 99.4 | 1,319,554 | 220,093,844 | 100.0 |
| 2014 | 219,461,895 | 211,642,952 | 96.4 | 1,241,717 | 212,884,669 | 97.0 |
| 2015 | 215,646,159 | 215,367,043 | 99.9 | - | 215,367,043 | 99.9 |

Source: Montgomery County and Prince George's County Governments.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

MONTGOMERY COUNTY

| Year | Governmental Activities (1) | | Business-Type Activities (1) | | Notes Payable | Notes Payable | Ratios | | Ratios | | | |
|------|-----------------------------|---------------|------------------------------|---------------|---------------|---------------|-----------------------------|-------------------------------|-----------------------------|----------------|-------------------------------|-----------------------------|
| | General Obligation Bonds | Notes Payable | Revenue Bonds and Notes | Notes Payable | | | Total Primary Government(1) | Percentage Of Personal Income | Outstanding Debt Per Capita | Total Debt (1) | Percentage Of Personal Income | Outstanding Debt Per Capita |
| 2006 | \$ 29,555 | \$ 3,711 | \$ 7,780 | \$ 54 | 54 | \$ | 0.07 | % | \$ 45,945 | 0.08 | % | \$ 49.59 |
| 2007 | 32,025 | 5,259 | 6,715 | 27 | 27 | \$ | 0.07 | | 48,316 | 0.08 | | 51.86 |
| 2008 | 29,465 | 3,522 | 5,630 | - | - | \$ | 0.06 | | 42,362 | 0.06 | | 44.93 |
| 2009 | 32,290 | 2,301 | 4,523 | - | - | \$ | 0.06 | | 42,324 | 0.07 | | 37.86 |
| 2010 | 29,680 | 1,041 | 3,393 | - | - | \$ | 0.05 | | 36,794 | 0.06 | | 32.09 |
| 2011 | 26,710 | 368 | 2,241 | - | - | \$ | 0.04 | | 31,464 | 0.05 | | 37.96 |
| 2012 | 34,590 | - | 1,064 | - | - | \$ | 0.05 | | 37,559 | 0.05 | | 33.51 |
| 2013 | 32,240 | - | 222 | - | - | \$ | 0.04 | | 34,127 | 0.05 | | 45.22 |
| 2014 | 44,616 | - | - | - | - | \$ | 0.06 | | 46,046 | 0.06 | | 41.83 |
| 2015 | 41,464 | - | - | - | - | \$ | 0.05 | | 42,664 | 0.05 | | |

PRINCE GEORGE'S COUNTY

| Year | Governmental Activities (1) | | Business-Type Activities (1) | | Notes Payable | Notes Payable | Ratios | | Ratios | | | |
|------|-----------------------------|---------------|------------------------------|---------------|---------------|---------------|-----------------------------|-----------------------------------|---------------------------------|----------------|-----------------------------------|---------------------------------|
| | General Obligation Bonds | Notes Payable | Revenue Bonds and Notes | Notes Payable | | | Total Primary Government(1) | Percentage Of Personal Income (2) | Outstanding Debt Per Capita (2) | Total Debt (1) | Percentage Of Personal Income (2) | Outstanding Debt Per Capita (2) |
| 2006 | \$ 105,030 | \$ 1,496 | \$ - | \$ - | - | \$ | 0.35 | % | \$ 108,031 | 0.36 | % | \$ 129.12 |
| 2007 | 105,400 | 1,806 | - | - | - | \$ | 0.34 | | 108,396 | 0.34 | | 130.17 |
| 2008 | 95,735 | 1,438 | - | - | - | \$ | 0.29 | | 98,058 | 0.30 | | 118.07 |
| 2009 | 85,501 | 1,054 | - | - | - | \$ | 0.26 | | 87,140 | 0.26 | | 104.41 |
| 2010 | 76,246 | 653 | - | - | - | \$ | 0.22 | | 77,189 | 0.23 | | 89.16 |
| 2011 | 65,925 | 369 | - | - | - | \$ | 0.19 | | 66,294 | 0.19 | | 75.85 |
| 2012 | 56,363 | 120 | - | - | - | \$ | 0.15 | | 56,483 | 0.15 | | 64.10 |
| 2013 | 47,086 | - | - | - | - | \$ | 0.12 | | 47,086 | 0.12 | | 52.90 |
| 2014 | 67,280 | - | - | - | - | \$ | na | | 67,280 | na | | 74.39 |
| 2015 | 58,860 | - | - | - | - | \$ | na | | 58,860 | na | | na |

Notes: (1) 000's omitted and general obligation bonds presented net of original issuance discounts and premiums.

(2) See Table 14 for personal income and population data. Data are not available for Prince George's County for FY 2014 and FY 2015.

Source: The Maryland-National Capital Park and Planning Commission, Montgomery and Prince George's County Governments

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-11

Ratio of Net General Obligation Bonded Debt
To Assessed Value and Net General Obligation Bonded Debt Per Capita
Last Ten Fiscal Years

MONTGOMERY COUNTY

| Year | Population | Park Acquisition and Development Bonds | | | Advance Land Acquisition Bonds | | |
|------|------------|--|-------------------------------------|--|--------------------------------|-------------------------------------|--|
| | | Assessed Value (2) | General Bonded Debt Outstanding (1) | Ratio of Net Bonded Debt to Assessed Value | Assessed Value (2) | General Bonded Debt Outstanding (1) | Ratio of Net Bonded Debt to Assessed Value |
| 2006 | 936,070 | \$ 99,136,692 | \$ 37,335 | 0.04 % | \$ 114,360,878 | \$ 4,845 | 0.00 % |
| 2007 | 941,491 | 112,335,704 | 38,740 | 0.03 | 129,659,726 | 4,290 | 0.00 |
| 2008 | 949,591 | 126,613,148 | 35,095 | 0.03 | 146,276,983 | 3,745 | 0.00 |
| 2009 | 957,760 | 140,254,264 | 36,813 | 0.03 | 162,053,662 | 3,210 | 0.00 |
| 2010 | 966,000 | 149,161,911 | 33,073 | 0.02 | 171,220,841 | 2,680 | 0.00 |
| 2011 | 979,551 | 149,284,865 | 28,951 | 0.02 | 171,646,984 | 2,145 | 0.00 |
| 2012 | 989,540 | 143,754,415 | 35,654 | 0.02 | 165,916,424 | 1,905 | 0.00 |
| 2013 | 999,247 | 140,577,467 | 32,462 | 0.02 | 161,877,310 | 1,665 | 0.00 |
| 2014 | 1,018,355 | 141,899,535 | 44,616 | 0.03 | 163,601,193 | 1,430 | 0.00 |
| 2015 | 1,020,000 | 142,418,524 | 41,464 | 0.03 | 163,656,758 | 1,200 | 0.00 |

PRINCE GEORGE'S COUNTY

| Year | Population | Park Acquisition and Development Bonds | | | Advance Land Acquisition Bonds | | |
|------|------------|--|-------------------------------------|--|--------------------------------|-------------------------------------|--|
| | | Assessed Value (2) | General Bonded Debt Outstanding (1) | Ratio of Net Bonded Debt to Assessed Value | Assessed Value (2) | General Bonded Debt Outstanding (1) | Ratio of Net Bonded Debt to Assessed Value |
| 2006 | 836,644 | \$ 55,083,907 | \$ 105,030 | 0.19 % | \$ 55,100,674 | \$ 1,505 | 0.00 % |
| 2007 | 832,699 | 59,177,385 | 105,400 | 0.18 | 63,544,195 | 1,190 | 0.00 |
| 2008 | 830,514 | 70,615,992 | 95,735 | 0.14 | 75,728,883 | 885 | 0.00 |
| 2009 | 834,560 | 82,671,572 | 85,501 | 0.10 | 88,636,874 | 585 | 0.00 |
| 2010 | 865,705 | 91,889,365 | 76,246 | 0.08 | 98,521,803 | 290 | 0.00 |
| 2011 | 874,045 | 84,718,780 | 65,925 | 0.08 | 90,863,504 | - | 0.00 |
| 2012 | 881,138 | 79,043,657 | 56,363 | 0.07 | 84,542,585 | - | 0.00 |
| 2013 | 890,081 | 73,123,809 | 47,086 | 0.06 | 78,518,921 | - | 0.00 |
| 2014 | 904,430 | 70,551,044 | 67,280 | 0.10 | 75,744,055 | - | 0.00 |
| 2015 | n.a. | 71,578,363 | 58,860 | 0.08 | 76,747,781 | - | 0.00 |

Notes: (1) 000's omitted and this is the general bonded debt of both governmental and business-type activities, net of the original issuance discounts and premiums

(2) Metropolitan District only

Source: Assessed Value is from Montgomery County and Prince George's County Governments. Population estimates are from the U.S. Bureau of the Census, Population Estimates Branch except 2008 Montgomery County population estimated by the Montgomery County Office of Finance

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Table T-12

Direct and Overlapping Governmental Activities Debt

June 30, 2015

| | Debt Outstanding | Estimated Percentage Applicable | Montgomery County Estimated Share of Overlapping Debt | Prince George's County Estimated Share of Overlapping Debt | Total Estimated Share of Overlapping Debt |
|---|---------------------|---------------------------------------|---|--|--|
| Overlapping Debt: | | | | | |
| Montgomery County: | | | | | |
| Montgomery County Government Direct Debt | \$ 3,712,336,512 | 100.00% | \$ 3,712,336,512 | \$ - | \$ 3,712,336,512 |
| MCPS - capital leases | 64,224,227 | 100.00% | 64,224,227 | - | 64,224,227 |
| MCC - capital leases | 63,968,224 | 100.00% | 63,968,224 | - | 63,968,224 |
| Kingsview Village Center - bonds | 1,296,958 | 100.00% | 1,296,958 | - | 1,296,958 |
| West Germantown - bonds | 12,025,000 | 100.00% | 12,025,000 | - | 12,025,000 |
| Towns, Cities and Villages | 144,473,252 | 100.00% | 144,473,252 | - | 144,473,252 |
| Prince George's County: | | | | | |
| Prince George's County Direct Debt | 1,506,557,587 | 100.00% | - | 1,506,557,587 | 1,506,557,587 |
| IDA of Prince George's County - lease revenue bonds | 50,820,000 | 100.00% | - | 50,820,000 | 50,820,000 |
| Towns, Cities and Villages (2) | 49,945,670 | 100.00% | - | 49,945,670 | 49,945,670 |
| Total Overlapping Debt | | | <u>3,998,324,173</u> | <u>1,607,323,257</u> | <u>5,605,647,430</u> |
| M-NCPPC Direct Debt Outstanding (1) | | | | <u>58,860,433</u> | <u>101,524,379</u> |
| Total Direct and Overlapping Debt | | | <u>\$ 4,040,988,119</u> | <u>\$ 1,666,183,690</u> | <u>\$ 5,707,171,809</u> |

Note: (1) Direct Debt is comprised of Park bonds and ALA bonds.

(2) Source of Debt Outstanding for Towns, Cities and Villages is actual 2015 data from Prince George's County.

Source: Montgomery County and Prince George's County Governments and The Maryland-National Capital Park and Planning Commission.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Computation of Legal Debt Margin
Park Acquisition and Development Bonds
Last Ten Fiscal Years

Park Acquisition and Development Bonds
Guaranteed by Montgomery County

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Assessed Valuation - Metropolitan District | | | | | | | | | | |
| Real Property | \$ 96,008,277,404 | \$ 109,087,987,868 | \$ 123,349,223,504 | \$ 137,037,338,727 | \$ 145,753,018,621 | \$ 146,152,672,587 | \$ 140,655,277,104 | \$ 137,631,593,595 | \$ 138,896,759,800 | \$ 142,418,523,986 |
| Personal Property | 3,128,415,230 | 3,247,705,861 | 3,263,924,271 | 3,216,923,627 | 3,408,892,008 | 3,132,192,188 | 3,014,605,290 | 2,945,872,990 | 3,002,675,020 | 2,963,935,430 |
| Total Assessed Value | 99,136,692,634 | 112,335,703,729 | 126,613,147,775 | 140,254,262,354 | 149,161,910,629 | 149,284,864,775 | 143,669,882,394 | 140,577,466,585 | 141,899,435,220 | 145,382,459,416 |
| Annual Revenue from mandatory park tax levied for each \$100 of assessed valuation | | | | | | | | | | |
| Real Property at 3.6 cents (9 cents for FY 2001 and prior) | 34,562,980 | 39,271,679 | 44,405,720 | 49,333,442 | 52,471,087 | 52,614,962 | 50,635,900 | 49,547,374 | 50,002,934 | 51,270,669 |
| Personal Property at 9 cents | 2,815,574 | 2,922,935 | 2,937,532 | 2,895,233 | 3,068,003 | 2,818,973 | 2,713,145 | 2,651,286 | 2,702,408 | 2,667,542 |
| | 37,378,554 | 42,194,614 | 47,343,252 | 52,228,675 | 55,539,090 | 55,433,935 | 53,349,045 | 52,198,660 | 52,705,242 | 53,938,211 |
| Revenue available from mandatory park tax over next thirty years - Legal Debt Limit | 1,121,356,620 | 1,265,838,420 | 1,420,297,560 | 1,566,860,250 | 1,666,172,700 | 1,663,018,050 | 1,600,471,350 | 1,565,959,800 | 1,581,157,260 | 1,618,146,330 |
| Debt Service Applicable to Limit | 38,393,681 | 41,883,976 | 38,059,329 | 40,869,590 | 37,198,245 | 33,237,288 | 44,791,154 | 37,422,603 | 56,282,000 | 51,568,000 |
| Legal Debt Margin | \$ 1,082,962,939 | \$ 1,223,954,444 | \$ 1,382,238,231 | \$ 1,525,990,660 | \$ 1,628,974,455 | \$ 1,629,780,762 | \$ 1,555,680,196 | \$ 1,528,537,197 | \$ 1,524,875,260 | \$ 1,566,578,330 |
| Debt Service Applicable to Limit as a Percentage of the Limit | 3.42% | 3.31% | 2.66% | 2.61% | 2.23% | 2.00% | 2.80% | 2.39% | 3.56% | 3.19% |

Park Acquisition and Development Bonds
Guaranteed by Prince George's County

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Assessed Valuation - Metropolitan District | | | | | | | | | | |
| Real Property | \$ 52,272,039,269 | \$ 56,538,661,889 | \$ 67,906,380,950 | \$ 79,863,726,005 | \$ 89,287,524,163 | \$ 82,153,036,056 | \$ 76,465,608,181 | \$ 70,552,234,135 | \$ 67,989,278,067 | \$ 68,858,615,833 |
| Personal Property | 2,811,867,582 | 2,638,722,757 | 2,709,610,652 | 2,807,843,667 | 2,601,841,179 | 2,565,743,870 | 2,579,049,126 | 2,571,574,360 | 2,561,766,520 | 2,719,747,116 |
| Total Assessed Value | 55,083,906,851 | 59,177,384,646 | 70,615,991,602 | 82,671,571,672 | 91,889,365,342 | 84,718,779,926 | 79,044,657,307 | 73,123,808,695 | 70,551,044,587 | 71,578,362,951 |
| Annual Revenue from mandatory park tax levied for each \$100 of assessed valuation | | | | | | | | | | |
| Real Property at 4 cents (10 cents for FY 2001 and prior) | 20,908,816 | 22,615,465 | 27,162,552 | 31,945,491 | 35,715,010 | 32,861,214 | 30,586,243 | 28,220,894 | 27,195,711 | 27,543,446 |
| Personal Property at 10 cents | 2,811,868 | 2,638,723 | 2,709,611 | 2,807,844 | 2,601,841 | 2,565,744 | 2,579,049 | 2,571,575 | 2,561,767 | 2,719,747 |
| | 23,720,684 | 25,254,188 | 29,872,163 | 34,753,335 | 38,316,851 | 35,426,958 | 33,164,292 | 30,792,469 | 29,757,478 | 30,263,193 |
| Revenue available from mandatory park tax over next thirty years - Legal Debt Limit | 711,620,520 | 757,625,640 | 866,164,860 | 1,042,600,050 | 1,149,505,530 | 1,062,808,740 | 994,928,760 | 923,774,070 | 892,724,340 | 907,895,790 |
| Debt Service Applicable to Limit | 135,076,320 | 135,698,883 | 119,848,031 | 105,933,668 | 92,328,755 | 79,212,624 | 66,636,492 | 54,054,273 | 83,126,000 | 72,384,000 |
| Legal Debt Margin | \$ 576,544,200 | \$ 621,926,757 | \$ 746,316,829 | \$ 936,666,382 | \$ 1,057,176,775 | \$ 983,596,116 | \$ 928,292,268 | \$ 869,719,797 | \$ 809,598,340 | \$ 835,511,790 |
| Debt Service Applicable to Limit as a Percentage of the Limit | 18.98% | 17.91% | 13.37% | 10.16% | 8.03% | 7.45% | 6.70% | 5.85% | 9.31% | 7.97% |

Source: Montgomery County and Prince George's County Governments and The Maryland-National Capital Park and Planning Commission, Finance Department

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-14

Demographic Statistics
Last Ten Fiscal Years

MONTGOMERY COUNTY

| <u>Year</u> | <u>Population (1)</u> | <u>Total Personal Income Income 000's omitted (2,3)</u> | <u>Per Capita Income (4)</u> | <u>Labor Force (5)</u> | <u>Unemployment Rate (6)</u> | <u>Registered Pupils (7)</u> |
|-------------|-----------------------|---|----------------------------------|----------------------------|----------------------------------|----------------------------------|
| 2006 | 926,492 | \$ 62,144,979 | \$ 67,076 | 510,593 | 2.9 % | 139,387 |
| 2007 | 931,694 | 64,365,237 | 69,084 | 509,769 | 2.6 | 137,798 |
| 2008 | 942,748 | 67,279,968 | 71,366 | 515,987 | 3.2 | 137,745 |
| 2009 | 959,013 | 65,858,231 | 68,673 | 522,421 | 5.3 | 137,763 |
| 2010 | 976,006 | 67,890,159 | 69,559 | 532,549 | 5.6 | 140,500 |
| 2011 | 991,645 | 71,081,967 | 71,681 | 536,636 | 5.2 | 143,309 |
| 2012 | 1,004,476 | 73,467,234 | 73,140 | 540,444 | 5.2 | 146,497 |
| 2013 | 1,016,677 | 73,958,785 | 72,746 | 542,029 | 5.0 | 149,018 |
| 2014 | 1,018,000 | 75,940,000 | 74,597 | 540,128 | 4.4 | 151,289 |
| 2015 | 1,020,000 | 79,300,000 | 77,745 | 544,313 | 4.0 | 154,230 |

PRINCE GEORGE'S COUNTY

| <u>Year</u> | <u>Population (8)</u> | <u>Total Personal Income Income 000's omitted (2)</u> | <u>Per Capita Income (2) (4)</u> | <u>Labor Force (9)</u> | <u>Unemployment Rate (6)</u> | <u>Registered Pupils (10)</u> |
|-------------|-----------------------|---|--------------------------------------|----------------------------|----------------------------------|-----------------------------------|
| 2006 | 836,644 | \$ 30,306,871 | \$ 35,567 | 446,366 | 4.1 % | 133,325 |
| 2007 | 832,699 | 31,753,583 | 37,361 | 448,144 | 3.7 | 131,014 |
| 2008 | 830,514 | 33,026,742 | 38,847 | 454,201 | 4.5 | 129,752 |
| 2009 | 834,560 | 33,227,622 | 38,810 | 452,754 | 7.1 | 127,977 |
| 2010 | 865,705 | 34,302,938 | 39,647 | 462,138 | 7.7 | 127,039 |
| 2011 | 874,045 | 35,036,640 | 40,215 | 466,787 | 7.2 | 126,671 |
| 2012 | 881,138 | 38,481,250 | 43,672 | 469,150 | 6.8 | 123,833 |
| 2013 | 890,081 | 38,595,921 | 43,362 | 467,318 | 6.9 | 123,737 |
| 2014 | 904,430 | n. a. | n. a. | 469,359 | 6.2 | 125,136 |
| 2015 | n. a. | n. a. | n. a. | 491,077 | 5.5 | n.a. |

Notes: n.a.--not available

- (1) Source: Data for 2006-2009 from the U.S. Bureau of the Census, data for 2010-2015 estimated by the Montgomery County Department of Finance
- (2) Source: Bureau of Economic Analysis, U.S. Department of Commerce (Income data for 2014-2015 is not currently available)
- (3) Source: Data for 2010 - 2015 are estimates derived by the Montgomery County Department of Finance
- (4) Source: Per Capita Income is derived by dividing personal income by population
- (5) Source: Bureau of Labor Statistics, U.S. Department of Labor
- (6) Source: Maryland Department of Labor, Licensing and Regulations. Represents yearly average figures.
- (7) Source: Office of Management and Budget, Montgomery County
- (8) Source: Data for 2010-2014 are estimates derived by the Prince George's County Department of Finance from the U.S. Bureau of the Census.
Data for 2006-2009 estimates are provided by the U.S. Bureau of the Census, Population Estimates Branch.
- (9) Source: Maryland Department of Labor, Career and Workforce Information, updated July 2015
- (10) Source: www.mdreportcard.org, updated April 2015

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-15

Total Government Employees by Function
Last Ten Fiscal Years
MONTGOMERY COUNTY

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|----------|----------|----------|----------|----------|----------|--------|--------|--------|--------|
| Governmental Activities | | | | | | | | | | |
| General Government: | 81.00 | 81.00 | 83.45 | 78.75 | 76.35 | 74.05 | 67.55 | 64.00 | 62.55 | 64.30 |
| County Planning and Zoning: | | | | | | | | | | |
| Office of the Planning Director | 2.50 | 3.30 | 3.77 | 3.82 | 3.00 | 3.00 | 6.00 | 6.00 | 6.00 | 4.00 |
| Management Services | 11.10 | 9.30 | 7.60 | 25.57 | 28.35 | 29.02 | 22.39 | 21.60 | 21.65 | 15.45 |
| Functional Planning and Policy | - | - | - | - | - | - | 14.50 | 14.40 | 15.18 | 18.40 |
| Area 1 | - | - | - | - | - | - | 11.49 | 12.75 | 11.95 | 12.00 |
| Area 2 | - | - | - | - | - | - | 15.49 | 16.25 | 16.15 | 15.50 |
| Area 3 | - | - | - | - | - | - | 16.19 | 15.50 | 15.95 | 16.20 |
| Strategic Planning | 4.40 | 3.30 | 4.30 | - | - | - | - | - | - | - |
| Community-Based Planning | 39.00 | 38.00 | 38.77 | 22.22 | 24.17 | 21.20 | - | - | - | - |
| County-Wide Planning | 40.10 | 41.00 | 48.57 | - | - | - | - | - | - | - |
| Environmental Planning | - | - | - | 23.67 | 23.67 | 22.43 | - | - | - | - |
| Transportation Planning | - | - | - | 17.89 | 18.15 | 13.29 | - | - | - | - |
| Urban Design | - | - | - | 17.01 | 16.99 | 15.20 | - | - | - | - |
| Development Applications and Regulatory Coordination | 28.50 | 35.60 | 35.00 | 32.32 | 31.48 | 15.60 | - | 10.85 | 10.10 | 9.85 |
| Center for Research and Information Systems | 26.30 | 26.90 | 31.30 | 28.55 | 24.84 | 23.18 | 12.60 | 12.64 | 15.00 | 15.90 |
| Information Technology and Innovation | - | - | - | - | - | - | - | - | - | 8.00 |
| Research and Special Projects | - | - | - | - | - | - | - | - | - | 115.30 |
| Total County Planning and Zoning | 151.90 | 157.40 | 169.31 | 171.05 | 170.65 | 142.92 | 111.30 | 111.30 | 111.98 | 115.30 |
| Park Operations and Maintenance: | | | | | | | | | | |
| Director of Parks | 3.90 | 24.20 | 23.85 | 21.57 | 5.55 | 5.55 | 5.00 | 6.00 | 7.80 | 7.80 |
| Superintendent of Parks | 19.00 | - | - | - | - | - | - | - | - | - |
| Special Programs | - | - | - | - | 6.00 | 6.00 | - | - | - | - |
| Park Information and Customer Service | - | - | - | - | 10.30 | 10.30 | 18.00 | 18.20 | 19.10 | 19.60 |
| Public Affairs and Community Partnerships | - | - | - | - | - | - | - | - | - | 12.00 |
| Management Services | - | - | 7.22 | 7.13 | 7.67 | 7.50 | 20.60 | 20.10 | 20.20 | - |
| Facilities Management | - | - | 6.90 | 6.83 | 6.00 | 6.00 | - | - | - | - |
| Technology Center | 8.90 | 10.10 | 11.50 | 10.74 | 10.90 | 11.15 | - | - | - | - |
| Information Technology and Innovation | - | - | - | - | - | - | - | - | - | 8.10 |
| Park Planning and Stewardship | 20.50 | 18.85 | 29.88 | 33.43 | 31.96 | 31.62 | 25.70 | 24.80 | 26.60 | 29.50 |
| Park Development | 27.70 | 26.50 | 28.50 | 28.43 | 28.50 | 28.55 | 24.80 | 23.80 | 23.80 | 25.80 |
| Park Police | 111.20 | 117.50 | 112.85 | 114.72 | 115.56 | 115.61 | 104.90 | 109.40 | 109.40 | 111.30 |
| Horticultural, Forestry, and Environmental Ed | 67.30 | 65.65 | 62.65 | 63.84 | 63.40 | 63.50 | 73.20 | 79.40 | 80.60 | 84.00 |
| Facilities Management (formerly Central Maintenance) | 106.80 | 101.30 | 102.77 | 104.76 | 102.90 | 102.65 | 91.10 | 89.80 | 89.80 | 95.20 |
| Northern Region | 118.00 | 115.10 | 114.71 | 116.25 | 116.52 | 116.52 | 101.00 | 100.00 | 103.20 | 107.90 |
| Southern Region | 181.50 | 174.22 | 179.11 | 180.51 | 182.14 | 181.84 | 153.90 | 151.20 | 153.50 | 154.20 |
| Support Services | - | - | - | - | 1.10 | 1.10 | 1.10 | 2.90 | 1.10 | 2.60 |
| Property Management | 3.00 | 3.00 | 3.50 | 3.50 | 3.50 | 3.50 | 2.50 | 5.00 | 6.00 | 7.00 |
| Total Park Operations and Maintenance | 667.80 | 656.42 | 683.24 | 691.71 | 692.00 | 691.39 | 621.80 | 630.60 | 641.10 | 665.00 |
| Business-Type Activities | | | | | | | | | | |
| Recreational and Cultural Facilities | 204.70 | 109.70 | 110.30 | 104.60 | 113.10 | 110.90 | 117.20 | 118.90 | 116.00 | 110.30 |
| Total Workyears | 1,105.40 | 1,004.52 | 1,046.30 | 1,046.11 | 1,052.10 | 1,019.26 | 917.85 | 924.80 | 931.63 | 954.90 |

Source: The Park and Planning Commission Adopted Annual Budget, various years

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-15
(continued)

Total Government Employees by Function
Last Ten Fiscal Years

PRINCE GEORGE'S COUNTY

| | Fiscal Year | | | | | | | | | |
|---------------------------------------|-------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Governmental Activities | | | | | | | | | | |
| General Government | 77.20 | 79.35 | 82.65 | 86.90 | 85.40 | 83.75 | 81.55 | 77.65 | 81.60 | 83.35 |
| County Planning and Zoning: | | | | | | | | | | |
| Director's Office | 15.00 | 14.00 | 14.00 | 16.00 | 27.00 | 28.00 | 28.00 | 28.50 | 32.50 | 35.50 |
| Development Review | 46.60 | 48.40 | 49.70 | 52.70 | 60.00 | 59.00 | 56.00 | 53.00 | 53.00 | 53.00 |
| Community Planning | 26.88 | 33.63 | 45.80 | 43.80 | 43.60 | 43.60 | 42.60 | 39.60 | 37.75 | 33.75 |
| Information Management | 23.00 | 23.50 | 24.60 | 25.60 | 27.60 | 27.80 | 28.00 | 28.00 | 27.00 | 27.00 |
| County-Wide Planning | 34.00 | 35.50 | 42.00 | 39.50 | 46.00 | 46.00 | 45.00 | 40.00 | 40.00 | 42.00 |
| Information Center | 22.00 | 23.50 | 25.00 | 27.00 | - | - | - | - | - | - |
| Total County Planning and Zoning | 167.48 | 178.53 | 201.10 | 204.60 | 204.20 | 204.40 | 199.60 | 189.10 | 191.25 | 191.25 |
| Park Operations and Maintenance: | | | | | | | | | | |
| Office of the Director | 39.70 | 39.70 | 25.10 | 27.50 | 4.00 | 4.00 | 3.00 | 3.00 | 3.00 | 13.00 |
| Administrative Services | - | - | - | - | 16.10 | 15.10 | 15.50 | 38.50 | 38.50 | 39.50 |
| Administration and Development | - | - | - | - | - | - | 2.00 | 6.00 | 6.00 | 2.00 |
| Public Affairs and Marketing | - | - | - | - | 12.00 | 15.00 | 14.00 | 14.00 | 14.00 | - |
| IT & Communications | - | - | 15.20 | 16.20 | 16.20 | 27.20 | 29.20 | 28.20 | 30.20 | 32.20 |
| Park Police | 129.80 | 130.80 | 137.60 | 143.50 | 146.50 | 151.50 | 146.50 | 146.50 | 150.50 | 150.50 |
| Park Planning and Development | 48.00 | 51.00 | 52.00 | 61.00 | 61.00 | 61.00 | 56.50 | 55.00 | 55.00 | 55.00 |
| Facility Operations | 243.50 | 243.50 | 250.50 | 271.60 | 269.50 | 266.50 | 291.90 | 285.60 | 293.10 | 310.60 |
| Area Operations | 219.60 | 219.60 | 228.10 | 240.10 | 240.10 | 249.10 | 241.50 | 247.50 | 255.50 | 262.50 |
| Total Park Operations and Maintenance | 680.60 | 684.60 | 708.50 | 759.90 | 765.40 | 789.40 | 800.10 | 824.30 | 845.80 | 865.30 |
| Recreation Programs: | | | | | | | | | | |
| Director's Office | 8.00 | 9.50 | 9.50 | 19.50 | - | - | - | - | - | - |
| Administrative Services | - | - | - | - | 20.50 | 18.50 | 18.00 | - | - | - |
| Public Affairs and Marketing | - | - | - | - | 3.00 | 2.00 | 2.00 | 2.00 | 3.00 | - |
| Administration and Development | - | - | - | 2.00 | 2.00 | 2.00 | 3.00 | - | - | - |
| IT & Communications | - | - | 9.00 | 9.00 | 9.00 | - | - | - | - | - |
| Facility Operations | 159.10 | 161.10 | 160.70 | 164.70 | 217.30 | 226.50 | 179.40 | 212.40 | 215.40 | 222.40 |
| Area Operations | 644.10 | 654.60 | 670.60 | 718.30 | 700.30 | 733.30 | 723.70 | 689.20 | 713.20 | 722.20 |
| Total Recreation Programs | 811.20 | 825.20 | 849.80 | 913.50 | 952.10 | 982.30 | 926.10 | 903.60 | 931.60 | 944.60 |
| Business-Type Activities | | | | | | | | | | |
| Recreational and Cultural Facilities | 207.50 | 215.50 | 218.00 | 213.00 | 202.00 | 200.50 | 193.00 | 188.00 | 180.00 | 181.00 |
| Total Workyears | 1,943.98 | 1,983.18 | 2,060.05 | 2,177.90 | 2,209.10 | 2,260.35 | 2,200.35 | 2,182.65 | 2,230.25 | 2,265.50 |

Source: The Park and Planning Commission Adopted Annual Budget, various years

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-16

Operating Indicators by Function
Last Ten Fiscal Years

MONTGOMERY COUNTY

| | Fiscal Year | | | | | | | | | |
|--|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Governmental Activities | | | | | | | | | | |
| General Government, Commission-Wide: | | | | | | | | | | |
| Number of Positions Advertised | 325 | 400 | 350 | 376 | 109 | 60 | 147 | 109 | 109 | 285 |
| Number of Vendors in Directory | 17,741 | 18,481 | 19,514 | 20,593 | 14,048 | 14,974 | 15,926 | 10,226 | 10,552 | 10,552 |
| Number of MFD Vendors in Directory | 2,818 | 3,028 | 3,383 | 3,747 | 3,830 | 4,182 | 4,547 | 4,957 | 5,238 | 5,238 |
| County Planning and Zoning: | | | | | | | | | | |
| Number of Master & Sectional Map Amendment Plans Completed | 6 | 7 | - | 4 | 4 | 2 | 3 | 2 | 8 | 5 |
| Number of Regulatory Planning Reviews | 35 | 38 | 120 | 124 | 220 | 254 | 352 | 284 | 294 | 234 |
| Number of Transportation Studies | 52 | 40 | 40 | 39 | 26 | 29 | 47 | 40 | 23 | 24 |
| Number of Site Plan and Project Plans Reviews | 109 | 160 | na | na | na | 76 | 81 | 99 | 85 | 90 |
| Number of Daily Website Visits | 2,800 | 3,000 | 3,080 | 3,624 | 3,439 | 4,190 | 3,225 | 5,521 | 4,181 | 5,242 |
| Number of GIS Updates | 2,140 | 2,400 | 5,697 | 14,576 | 23,602 | 18,537 | 69,237 | 22,017 | 93,116 | 28,899 |
| Park Operations and Maintenance: | | | | | | | | | | |
| Number of Park Permits Issued | 9,475 | 9,547 | 9,882 | 9,014 | 8,003 | 8,753 | 8,330 | 9,034 | 8,159 | 8,362 |
| Number of Playground Renovations Completed | 6 | 6 | 10 | 12 | 10 | 6 | 8 | 7 | 5 | 5 |
| Total Acres of Parkland Acquired | 310 | 480 | 297 | 140 | 877 | 59 | 355 | 75 | 665 | 432 |
| Trees Planted for Reforestation Projects | 1,512 | 1,295 | 1,100 | 1,581 | 1,642 | 1,797 | 6,300 | 34,942 | 2,076 | 414 |
| Major Maintenance Requests Completed | 146 | 184 | 240 | 84 | 172 | 85 | 98 | 94 | 87 | 90 |
| Service Requests Completed | 5,812 | 6,830 | 7,104 | 7,798 | 8,556 | 6,432 | 6,453 | 6,801 | 6,583 | 9,117 |
| Number of Customers Attending Nature Programs | 30,355 | 45,808 | 46,700 | 37,877 | 45,248 | 34,533 | 27,274 | 32,183 | 39,157 | 40,985 |
| Business-Type Activities | | | | | | | | | | |
| Recreational and Cultural Facilities: | | | | | | | | | | |
| Number of Ice Rink Customers | 459,863 | 449,007 | 408,746 | 390,336 | 424,638 | 427,854 | 402,438 | 432,154 | 375,912 | 520,388 |
| Number of Indoor Tennis Customers | 139,839 | 132,801 | 58,510 | 96,103 | 121,715 | 122,049 | 106,435 | 110,826 | 124,713 | 117,283 |
| Number of Park Facilities Customers | 496,112 | 569,315 | 490,220 | 422,565 | 500,679 | 588,464 | 626,243 | 519,704 | 333,689 | 404,885 |
| Number of Conference Center Customers | 39,153 | 29,964 | 30,359 | 27,729 | 31,834 | 28,455 | 40,943 | 50,509 | 47,347 | 58,373 |

Source: The Park and Planning Commission Proposed Annual Budget, various years
n/a - not available.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-16
continued

Operating Indicators by Function
Last Ten Fiscal Years

PRINCE GEORGE'S COUNTY

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|---------|---------|---------|---------|--------|---------|---------|---------|---------|---------|
| Governmental Activities | | | | | | | | | | |
| County Planning and Zoning: | | | | | | | | | | |
| Number of New Applications for Preliminary Plans | 163 | 70 | 152 | 50 | 90 | 98 | 120 | 120 | 169 | 200 |
| Number of New Zoning Applications | 90 | 59 | 53 | 42 | 54 | 34 | 61 | 60 | 34 | 64 |
| Number of Help Desk Requests Completed | 2,770 | 2,450 | 2,900 | 3,843 | 3,714 | 3,213 | 4,332 | 4,000 | 2,769 | 3,100 |
| Number of GIS Requests Delivered | 206 | 200 | 211 | 228 | 213 | 200 | 200 | 210 | 201 | 217 |
| Number of Transportation Referrals Received | 318 | 346 | 282 | 192 | 151 | 107 | 113 | 128 | 126 | 120 |
| Number of Environmental Referrals Received | 2,355 | 1,923 | 1,323 | 944 | 550 | 359 | 342 | 350 | 424 | 450 |
| Number of Walk-in Customers Served | 10,149 | 7,000 | 7,269 | 6,417 | 7,000 | 5,256 | 4,580 | 5,000 | 4,812 | 5,100 |
| Number of Telephone Calls Responded to | 9,645 | 11,000 | 8,128 | 4,440 | 5,000 | 4,162 | 4,562 | 5,000 | 4,919 | 4,800 |
| Park Operations and Maintenance: | | | | | | | | | | |
| Number of Nature Education Attendees | 152,346 | 167,372 | 160,799 | 165,500 | n/a | n/a | n/a | n/a | n/a | n/a |
| Number of Museum Visitors (College Park Airport) | 88,019 | 65,772 | 60,331 | 68,000 | n/a | n/a | n/a | n/a | n/a | n/a |
| Number of Commission Facility Permits Issued | 4,363 | 4,521 | 4,600 | 4,700 | n/a | n/a | n/a | n/a | n/a | n/a |
| Number of activities for fee assistance clients | n/a | n/a | 1,400 | 1,750 | 2,000 | 2,150 | n/a | n/a | n/a | n/a |
| Acres of Grass Mowed | 6,450 | 6,600 | 7,100 | 7,550 | 7,595 | n/a | n/a | n/a | n/a | n/a |
| Number of Park acres | n/a | n/a | 26,776 | 26,998 | 27,188 | 27,528 | 27,628 | 27,000 | 27,625 | 27,875 |
| Number of completed Capital Improvement projects | n/a | n/a | 36 | 32 | 49 | 34 | 30 | 45 | 28 | 42 |
| Number of picnic shelters rentals | n/a | n/a | 972 | 936 | 928 | 924 | 929 | 992 | 570 | 595 |
| Number of ADA Accommodations | n/a | n/a | 1,400 | 1,500 | 1,600 | 1,500 | 2,800 | 3,100 | 3,025 | 3,075 |
| Number of Community Sponsored Events | n/a | n/a | 112 | 131 | 262 | 313 | 322 | 452 | 447 | 469 |
| Number of Historic Property Rentals | 596 | 609 | 752 | 763 | 798 | 780 | 780 | 225 | 235 | 260 |
| Recreation Programs: | | | | | | | | | | |
| Number of Museum Visitors (Historic Sites) | 51,155 | 48,194 | 47,336 | 49,000 | n/a | n/a | n/a | n/a | n/a | n/a |
| Number of Youth Sports Participants | 15,400 | 13,000 | 12,000 | 12,800 | 14,933 | n/a | n/a | n/a | n/a | n/a |
| Total Aquatics Activities Attendance | 284,844 | 295,242 | 290,000 | 291,000 | 65,403 | n/a | n/a | n/a | n/a | n/a |
| Total Community Center Classes Conducted | 5,078 | 5,387 | 6,866 | 5,650 | 11,901 | n/a | n/a | n/a | n/a | n/a |
| Number of Art class registrants | n/a | n/a | 2,400 | 2,500 | 2,900 | 3,100 | 7,000 | 2,575 | 2,950 | 2,900 |
| Total Youth registered for recreation programs | n/a | n/a | n/a | n/a | n/a | 214,422 | 214,400 | 205,999 | 205,999 | 205,999 |
| Total Seniors registered for recreation programs | n/a | n/a | n/a | n/a | n/a | 90,662 | 90,000 | 125,382 | 125,382 | 125,382 |
| Number of program youth volunteers | n/a | n/a | 1,400 | 1,500 | 2,900 | 7,800 | 1,500 | 1,500 | n/a | n/a |
| Number of youth volunteer hours served | n/a | n/a | n/a | n/a | n/a | n/a | 425 | 400 | 415 | 420 |
| Number of Art classes | n/a | n/a | n/a | 2,700 | 2,900 | 6,900 | 7,000 | 175 | 425 | 400 |
| Number of Therapeutic Recreation programs | n/a | n/a | 362 | 375 | 425 | 408 | 405 | 455 | 460 | 465 |
| Business-Type Activities | | | | | | | | | | |
| Recreational and Cultural Facilities | | | | | | | | | | |
| Number of Rounds of Golf | 90,556 | 81,274 | 84,558 | 94,000 | n/a | n/a | n/a | n/a | n/a | n/a |
| Number of Fitness Center Class Participants | 26,000 | 26,500 | 28,000 | 27,500 | 10,867 | n/a | n/a | n/a | n/a | n/a |
| Number of Ice Rink General Admissions | 27,000 | 24,355 | 36,564 | 31,000 | 4,753 | n/a | n/a | n/a | n/a | n/a |
| Number of Attendance (Show Place Arena) | 277,295 | 278,147 | 240,840 | 228,652 | n/a | n/a | n/a | n/a | n/a | n/a |
| Number of Attendance (Equestrian Center) | 38,562 | 37,122 | 35,315 | 27,821 | n/a | n/a | n/a | n/a | n/a | n/a |
| Number of Fitness center memberships | n/a | n/a | 3,725 | 4,046 | 4,000 | 5,198 | 5,600 | 5,800 | n/a | n/a |
| Number of swimming classes | n/a | n/a | 12,843 | 13,700 | 14,385 | 16,188 | 17,806 | 18,500 | 22,750 | 22,000 |
| Number of event days at Show Place Arena | n/a | n/a | 204 | 175 | 184 | 222 | 208 | 332 | 291 | 299 |

Source: The Park and Planning Commission Proposed Annual Budget, various years - FY 14 estimated data
n/a - not available

The Maryland-National Capital Park and Planning Commission

TABLE T-17

Capital Asset Statistics by Function
Last Ten Fiscal Years

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---------------------------------------|------|------|------|------|------|------|------|------|------|------|
| <u>COMMISSION-WIDE</u> | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| General Government: | | | | | | | | | | |
| Office Building | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| <u>MONTGOMERY COUNTY</u> | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| County Planning and Zoning: | | | | | | | | | | |
| Office Building | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Park Operations and Maintenance: | | | | | | | | | | |
| Athletic Fields | 356 | 360 | 361 | 359 | 363 | 363 | 347 | 350 | 350 | 350 |
| Basketball Courts | 173 | 173 | 208 | 208 | 207 | 207 | 207 | 207 | 207 | 207 |
| Campsites | 102 | 102 | 102 | 102 | 102 | 102 | 108 | 107 | 107 | 107 |
| Dog Parks | 3 | 4 | 4 | 4 | 4 | 5 | 5 | 5 | 5 | 5 |
| Historic Buildings | 27 | 27 | 27 | 27 | 27 | 45 | 43 | 117 | 117 | 117 |
| Office Building | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 |
| Picnic Shelters | 131 | 190 | 191 | 194 | 193 | 132 | 129 | 130 | 130 | 130 |
| Playgrounds | 255 | 284 | 290 | 291 | 291 | 291 | 290 | 291 | 291 | 291 |
| Recreation Buildings | 32 | 32 | 32 | 31 | 31 | 31 | 29 | 25 | 25 | 25 |
| Rental Buildings | 61 | 61 | 61 | 61 | 61 | 49 | 49 | 53 | 53 | 53 |
| Skateboard Park | - | 1 | 1 | 1 | 1 | 1 | 2 | 3 | 3 | 3 |
| Tennis Courts | 153 | 153 | 305 | 305 | 305 | 305 | 317 | 315 | 315 | 315 |
| Business-Type Activities | | | | | | | | | | |
| Recreational and Cultural Facilities: | | | | | | | | | | |
| Antique Carousel | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Conference Centers | 3 | 3 | 3 | 3 | 3 | 5 | 5 | 5 | 5 | 5 |
| Equestrian Centers | 5 | 5 | 5 | 5 | 5 | 5 | 6 | 6 | 6 | 6 |
| Golf Courses (1) | 4 | - | - | - | - | - | - | - | - | - |
| Ice Rinks | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Indoor Tennis Facilities | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Miniature Trains | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Miniature Golf Course | 1 | 1 | 1 | 1 | 2 | 1 | 1 | 1 | 1 | 1 |
| Splash Park | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| <u>PRINCE GEORGE'S COUNTY</u> | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Park Operations and Maintenance: | | | | | | | | | | |
| Office Building | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 |
| Recreation Buildings | 24 | 24 | 25 | 25 | 25 | 26 | 28 | 34 | 34 | 34 |
| Picnic Shelters | 86 | 87 | 88 | 88 | 88 | 88 | 88 | 88 | 88 | 91 |
| Playgrounds | 209 | 223 | 227 | 227 | 227 | 228 | 229 | 240 | 240 | 252 |
| Athletic Fields | 380 | 383 | 389 | 390 | 390 | 390 | 390 | 392 | 392 | 392 |
| Tennis Courts | 160 | 161 | 163 | 163 | 163 | 163 | 163 | 163 | 163 | 164 |
| Basketball Courts | 211 | 211 | 213 | 214 | 214 | 214 | 214 | 215 | 215 | 218 |
| Recreation Programs: | | | | | | | | | | |
| Historic Buildings | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 |
| Community Centers | 29 | 30 | 30 | 30 | 30 | 31 | 31 | 31 | 31 | 31 |
| Swimming Pools | 10 | 10 | 10 | 10 | 10 | 11 | 11 | 11 | 11 | 11 |
| Business-Type Activities | | | | | | | | | | |
| Recreational and Cultural Facilities: | | | | | | | | | | |
| Ice Rinks | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Golf Courses | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Tennis Bubbles | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Equestrian Center | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Sports and Learning Complex | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Trap and Skeet Range | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 |
| Marina | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Airport | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

(1) The four Montgomery County golf courses have been leased to the Montgomery County Revenue Authority as of October 2006.

Source: The Maryland-National Capital Park and Planning Commission, Finance Department

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-18

Principal Employers

Current Fiscal Year and Nine Years Ago

MONTGOMERY COUNTY

| <u>Employer</u> | 2015 | | | 2006 | | |
|--|------------------|-------------|--|------------------|-------------|--|
| | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total County Employment</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total County Employment</u> |
| U.S. Department of Health and Human Services | 28,800 | 1 | 6.32 % | 39,000 | 1 | 8.50 % |
| Montgomery County Public Schools | 25,703 | 2 | 5.64 | 20,132 | 2 | 4.39 |
| U.S. Department of Defense | 12,900 | 3 | 2.83 | 13,670 | 3 | 2.98 |
| Montgomery County Government | 11,112 | 4 | 2.44 | 8,536 | 4 | 1.86 |
| U.S. Department of Commerce | 5,400 | 5 | 1.19 | 6,678 | 6 | 1.46 |
| Adventist Healthcare | 4,800 | 6 | 1.05 | 6,951 | 5 | 1.52 |
| Marriott International, Inc (Headquarters) | 4,600 | 7 | 1.01 | 3,500 | 10 | 0.76 |
| Holy Cross Hospital of Silver Spring | 3,900 | 8 | 0.86 | - | - | - |
| Montgomery College | 3,656 | 9 | 0.80 | - | - | - |
| Lockheed Martin | 3,000 | 10 | 0.66 | 3,900 | 9 | 0.85 |
| Giant Food Corporation | - | - | - | 4,900 | 7 | 1.07 |
| Chevy Chase Bank | - | - | - | 4,700 | 8 | 1.02 |
| Total | 103,871 | | 22.80 % | 111,967 | | 24.41 % |

PRINCE GEORGE'S COUNTY

| <u>Employer</u> | 2014 (1) | | | 2005 (1) | | |
|--|---------------------------------|-------------|--|---------------------------------|-------------|--|
| | <u>Private Sector Employees</u> | <u>Rank</u> | <u>Percentage of Total County Employment</u> | <u>Private Sector Employees</u> | <u>Rank</u> | <u>Percentage of Total County Employment</u> |
| United Parcel Service | 4,220 | 1 | 0.86 % | - | - | - % |
| Giant Food, Inc. | 3,000 | 2 | 0.61 | - | - | - |
| Verizon | 2,738 | 3 | 0.56 | - | - | - |
| Dimensions Health Corporation | 2,500 | 4 | 0.53 | - | - | - |
| Marriott International | 2,303 | 5 | 0.47 | - | - | - |
| Shoppers Food Warehouse | 1,975 | 6 | 0.40 | - | - | - |
| Safeway Stores, Inc | 1,605 | 7 | 0.33 | - | - | - |
| Verizon Maryland | 1,400 | 8 | 0.29 | - | - | - |
| Doctor's Community Hospital | 1,300 | 9 | 0.26 | - | - | - |
| Medstar Health (Southern MD Hospital Center) | 1,242 | 10 | 0.25 | - | - | - |
| Total | 22,283 | | 4.56 % | - | | - % |

Note:

(1) In 2015, Information is not yet available. Comparative data is not available for the number of employees in FY 2005.

Source: Montgomery County and Prince George's County Governments.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Table T-19

SUPPLEMENTAL ENTERPRISE INFORMATION

Condensed Schedule of Revenues and Expenses
For the Fiscal Year Ended June 30, 2015

Recreational Facilities

MONTGOMERY COUNTY

| | Ice Rinks | Golf Courses | Park Facilities | Indoor Tennis | Conference Centers | MC Ent Admin | Totals |
|--|--------------|--------------|-----------------|---------------|--------------------|--------------|--------------|
| Operating Revenues | \$ 4,812,047 | \$ 21,060 | \$ 2,464,307 | \$ 1,794,350 | \$ 774,848 | \$ 1,379 | \$ 9,867,991 |
| Operating Expenses Before Depreciation | 3,950,707 | - | 2,090,631 | 1,369,784 | 756,109 | (8,077) | 8,159,154 |
| Operating Income (Loss) | 861,340 | 21,060 | 373,676 | 424,566 | 18,739 | 9,456 | 1,708,837 |
| Before Depreciation | 737,658 | 296,620 | 101,663 | 43,113 | 54,472 | 8,077 | 1,241,603 |
| Depreciation | 123,682 | (275,560) | 272,013 | 381,453 | (35,733) | 1,379 | 467,234 |
| Operating Income (Loss) | - | - | 29,266 | 27,289 | 1,298 | - | 57,853 |
| Nonoperating Revenues (Expenses) | - | - | - | - | - | - | - |
| Net Income (Loss) | \$ 123,682 | \$ (275,560) | \$ 301,279 | \$ 408,742 | \$ (34,435) | \$ 1,379 | \$ 525,087 |

PRINCE GEORGE'S COUNTY

| | Equestrian Center/ Multipurpose Arena | Golf Courses | Ice Rinks | Regional Parks | Trap and Skeet Center | Sports and Learning Complex | Bladensburg Manna | Totals |
|--|--|--------------|------------|----------------|-----------------------|-----------------------------|-------------------|----------------|
| Operating Revenues | \$ 250,212 | \$ 2,206,600 | \$ 512,019 | \$ 296,415 | \$ 1,702,240 | \$ 3,104,519 | \$ 116,014 | \$ 9,536,125 |
| Operating Expenses Before Depreciation | 389,900 | 3,603,534 | 1,328,420 | 1,146,384 | 1,606,868 | 7,496,871 | 366,745 | 18,898,011 |
| Operating Income (Loss) | (139,688) | (1,396,934) | (816,401) | (849,969) | 95,372 | (4,392,352) | (250,731) | (9,361,866) |
| Before Depreciation | 287,542 | 111,694 | 117,146 | 44,965 | 24,719 | 1,442,789 | - | 2,662,796 |
| Depreciation | (427,230) | (1,508,628) | (933,547) | (894,934) | 70,653 | (5,835,141) | (250,731) | (12,024,682) |
| Operating Income (Loss) | 2,227 | 13,408 | 44 | 5,594 | 1,161 | 1,260 | 4,694 | 38,404 |
| Nonoperating Revenues (Expenses) | 243,113 | 909,912 | 973,806 | 1,096,539 | 41,802 | 3,965,844 | 235,969 | 9,725,804 |
| Transfers In (Out) | - | - | - | - | - | - | - | - |
| Net Income (Loss) | \$ (181,890) | \$ (585,308) | \$ 40,303 | \$ 207,199 | \$ 113,616 | \$ (1,868,037) | \$ (10,068) | \$ (2,260,474) |

Source: The Maryland-National Capital Park and Planning Commission, Finance Department

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Photo Index

Cover:

The Maryland-National Capital Park and Planning Commission is an unprecedented six-time **National Gold Medal Award winner** for excellence in park and recreation management. This award is given by the American Academy for Park and Recreation Administration in partnership with the National Recreation and Park Association, the professional organizations of recreation management. Competing with the top park and recreation agencies in the nation and winning this award on six separate occasions is a source of pride for all residents of Prince George's County, as it proves this community's commitment to offering outstanding parks and recreation opportunities and experiences for all.

Page 9: Collage

Boys playing indoor soccer at Wheaton SoccerPlex; Park Police ambush appreciation; Volunteers dressed in costume for the Maryland Emancipation Day Celebration; Parks & Recreation 2015 Masquerade Party; Skateboarders at Olney Manor Skate Park; Children performing at Musical Camp; Visitors listens as guide explains the Underground Railroad tour in Olney; Seniors at play in Change the Way You Age.

Photo Credits:

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John Yanson and various staff members (Montgomery County): pages 1, 8, 107, 115, and 123.